



Daily Report

China

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General

World Bank Resumes Lending With Relief Projects

OW0902015790 Beijing XINHUA in English
0118 GMT 9 Feb 90

[Text] Washington, February 8 (XINHUA)—The World Bank decided today to resume its lending to China and approved a credit of SDR 23.4 million (30 million U.S. dollars) for China to help it rebuild earthquake-damaged areas in the northeastern part of the country.

According to an announcement of the bank, the credit will finance the relief projects in China, which include rebuilding homes, public facilities and infrastructure in 80 villages in Yanbei Prefecture in Shanxi Province and 70 villages in Hebei Province's Yangyuan County.

Those areas were damaged by a strong earthquake on October 18, 1989.

The credit also has a national component for earthquake prediction and disaster preparedness that includes upgrading and reinforcing the State Seismological Bureau's operations.

A model emergency preparedness plan for Yanbei Prefecture will also be drawn up under the project.

Professor Elected Western Pacific Vice Chairman

OW0902031190 Beijing XINHUA in English
1642 GMT 8 Feb 90

[Text] Hangzhou, February 8 (XINHUA)—The regional Committee for the Western Pacific, a branch of the UNESCO Intergovernmental Oceanographic Commission, has been set up at a five-day meeting which closed here today.

Takanisa Nemoto of Japan was elected chairman of the committee, Professor Su Jilan of China and Charoen Vashrangsri of Thailand were elected vice chairmen this morning.

The western Pacific has a special position in the oceanographic study. In addition to rich resources, a rare mysterious phenomenon in the world—a 100-kilometer wide current, scientifically called Kuroshio current, occurs in this region and its movement and change has a considerable influence on the surrounding countries.

Officials from 12 countries, including the United States, the Soviet Union, France, Japan, Australia, and China, representatives from five international organizations and 80 oceanographic scientists attended the meeting.

The participants decided at the meeting the cooperative projects in this region for the near future as follows:

- “Red wave” caused by pollution and lack of oxygen;
- Prawn farming in Indian - Pacific region;
- Ancient map of the western Pacific;
- Margin of active tectonic plates;
- Ocean dynamics of the western Pacific;

- The continental shelf circulation of the western Pacific; and
- Appraisal of rivers in the western Pacific emptying into the ocean.

The scientists said at the meeting that the establishment of the committee will promote cooperation of countries in the region, improve the study of oceanographic sciences and contribute more to this region and the world.

United States & Canada

Further on Drug Trafficker Seeking U.S. Asylum

HK0902035590 Hong Kong TA KUNG PAO
in Chinese 9 Feb 90 p 1

[“Special dispatch”: “PRC Consulate General in San Francisco Issues Statement on a Hearing on a Chinese Drug Trafficker Seeking Political Asylum”]

[Text] New York, 7 Feb—Today, the Chinese Consulate General in San Francisco issued a statement accusing the United States of holding a hearing into the case of a Chinese drug trafficker seeking political asylum in the United States in complete disregard of international law, the norms governing international relations, and China's judicial sovereignty. The statement demanded that the United States immediately order the witness to return to China.

The story goes like this: Wang Zongxiao, a 52-year-old [age as published] man, used to be a clerk in a snake leather factory in Shanghai. In 1988, the U.S. police cracked a goldfish drug trafficking case, which once caused a sensation in China, Hong Kong, and the United States. Drug traffickers in Shanghai had put seven pounds of heroin into the bellies of some 20 boxes of dead goldfish and mixed them with a large number of boxes of live goldfish, which were then shipped to San Francisco via Hong Kong. Those boxes of goldfish were later purchased by an aquarium run by an American Chinese.

Soon afterward, the U.S. police learned of this case and started a series of investigations and made a number of arrests in San Francisco, Hong Kong, and Shanghai [sentence as published]. Wang Zongxiao was then arrested by the Shanghai police, found guilty, and imprisoned.

At the end of last year, the San Francisco court began its trial of the case. Accompanied by some Shanghai police officers, Wang Zongxiao arrived in San Francisco to give testimony.

On 5 February, Wang Zongxiao suddenly announced his decision to seek political asylum in the United States. It was learned that the reason he gave was that he had been “intimidated and forced” by the Shanghai Municipal Public Security Bureau to come to the United States and testify. Wang Zongxiao also said that he had been beaten up in prison by the Shanghai police.

Judge Ao Qin [1159 0530] of the San Francisco-based U.S. Federal Court of Justice issued an order this afternoon allowing Wang Zongxiao to be placed under the supervision and protection of the U.S. Government until a decision is made on his application for political asylum in the United States.

Huang Hua Meets Former U.S. Congressmen
*OW0702203990 Beijing XINHUA Domestic Service
 in Chinese 1401 GMT 6 Feb 90*

[“Foreign Affairs News Briefs”]

[Excerpt] Beijing, 6 Feb (XINHUA)—Huang Hua, member of the Standing Committee of the Central Advisory Commission and chief advisor to the China Association for International Friendly Contacts, met with a delegation of former U.S. members of the House of Representatives in the Great Hall of the People on 6 February. The delegation is led by former Democratic Party Congressman Richard Ichord and former Republican Party Congressman Robert Wilson. [passage omitted]

Scholars Cooperate With U.S. in Economic Study
*OW0902100390 Beijing XINHUA in English
 0808 GMT 9 Feb 90*

[Text] Beijing, February 9 (XINHUA)—Chinese and U.S. scholars have made progress in joint research of a triangular econometric model of China, Japan and the U.S. and handed in a report on China's microeconomy and policy.

The project, involving the joint efforts of economists at the Institute of Quantitative and Technical Economics of the Chinese Academy of Social Sciences and Professor Lawrence R. Klein of the University of Pennsylvania, is being conducted to examine trade relationships between China, Japan, and the U.S., together with domestic reaction to changes in trade accounts and analyze various policy based scenarios of interest to the economic relationships between the three countries that make up the model.

The scholars have made suggestions on policy-making for China's economy based on calculation and analyses.

The report says China's economy is seriously overheated and unbalanced. Agriculture, energy, raw materials, transportation and post and telecommunications are bottle-necks which affect the smooth development of the economy.

To solve these problems, the report suggests industrial structures be readjusted in several years time. Measures should be adopted to abolish the contracted finance system. The rights of the central and the local governments should be divided with each responsible for its own revenue.

The report says that in the past few years many enterprises have engaged in processing, which is profitable and requires relatively little investment, rather than bottleneck industries due to preferential policies for processing industries and township enterprises. To mitigate the contradiction, within two or three years, the government must set up a nation-wide market, rescind the “double-track” pricing system, let the market regulate production materials for which supply exceeds demand and regulate those for which demand exceeds supply. At the same time, a unified price system should be set up.

According to the report, emphasis should be put on a share system in the reform of ownership during the rectification. This will force enterprises to establish control mechanisms based on self-interest, laying a solid foundation for macrocontrol.

The report also points out that the central government and enterprises should have more power while localities enjoy less. Only if enterprises are given set budgets can they compete and raise efficiency.

Scholars at the Institute of Quantitative and Technical Economics of the Chinese Academy of Social Sciences and Professor Dale W. Jorgenson at Harvard University are working on productivity and Chinese economic growth. The two projects are supported by the Ford Foundation.

Soviet Union

Foreign Ministry Comments on CPSU Plenum
*OW0902110890 Beijing in English to North America
 0300 GMT 9 Feb 90*

[From the “Current Affairs” program hosted by Wen Liang]

[Text] The Chinese Foreign Ministry believes the basis of China's relations with the Soviet Union will remain the same. Radio Beijing's Liu Hui reports that a ministry spokesman made this remark Thursday in response to the Soviet dismantling of its one-party communist system:

In a plenary session on Wednesday, the Soviet Communist Party Central Committee abolished its one party system of government. Chinese Foreign Ministry spokesman Jin Guihua was asked whether Sino-Soviet relations will be affected by this. He replied that the relationship will continue to follow the principles of peaceful coexistence. His remarks were translated by an interpreter.

[Begin recording] What is going on in the Soviet Union is an internal affair of the Soviet Union. With regard to the question concerning Premier Li Peng's visit to the Soviet Union, it is under discussion by the two sides.
 [end recording]

Jin Guihua also denied accusations of human rights violations in China by Asia Watch. [passage omitted]

XINHUA Summarizes Central Committee Plenum

OW0802170090 Beijing XINHUA in English
1528 GMT 8 Feb 90

[Text] Moscow, February 7 (XINHUA)—The Central Committee of the Soviet Communist Party held its plenary session on February 5-7, and discussed and approved the party's draft platform to be submitted to the 28th congress to be held in the summer.

Soviet party General Secretary Mikhail Gorbachev Monday delivered a report on the draft platform to the session, saying that the Soviet party's "ideal is humane democratic socialism."

He said that the process of political pluralism currently under way in the Soviet Union "may lead at a certain stage to the establishment of parties."

Gorbachev declared that the Soviet Communist Party "intends to struggle for the status of the ruling party."

He said that the social crisis at the present stage is sharper and more serious than that [which] could be imagined and there exist feelings of panic and defeatism in the country.

Taking into consideration the strategic task and reality, the Soviet leader said, the reorganization of forces must be carried out at the highest tier of the political power.

He proposed to establish the presidential system and "give the president all necessary power to implement the policy of reform."

Gorbachev also called for a "rethink of democratic centralism."

The general secretary said that there are mistakes in the process of Soviet reform and there has been no change for the better in economy.

Gorbachev said that the original estimation that 1989 was the peak of crisis was over-optimistic. The market supply is worse, food is still in shortage and the economic situation has not turned for the better in the country.

Talking of the ethnic problem, Gorbachev said that nationalism, chauvinism and separatism must be opposed.

The Soviet leader suggested that the 28th congress of the Soviet Communist Party, scheduled to take place in October, be brought forward at the end of June or early July.

According to the official Soviet news agency TASS and the local newspapers, the plenary session came against the complicated situation facing the Soviet Communist Party and the state.

Participants had heated debates over such principles of whither the Soviet Union goes, and the nature, position and role of the Soviet Communist Party.

Anatoliy Kornienko, first secretary of the Kiev Communist Party Committee, read a letter from a worker party member at the meeting, saying that Soviet state leaders should "seriously concern [as received] about the fate of the nation and the laboring people."

"We will never let the socialist achievements which have been made through our endeavor efforts be destroyed overnight," the worker was quoted as saying, "otherwise, the people will never forgive that."

Valentin Mesyate, first secretary of the Moscow Regional Communist Party Committee, said his regional party organization will uphold the Marxist and Leninist stand and struggle for the party's leading role in society.

Vladimir Brovikov, Soviet ambassador to Poland, noted that the platform is unacceptable because it brags about reform, criticizes history, makes promises vehemently and lacks practical analysis of mistakes in the reform.

He said the Soviet Union has over-emphasized the appraisal of the reform by "Western gentlemen," but the people oppose to such kind of reform.

Boris Yeltsin, former first secretary of the Moscow City Communist Party Committee, announced at the plenum 10 proposals of an organization—the "Democratic Platform" formed in January.

The proposals include the replacement of the democratic centralism by "universal democracy," the multiparty system, the independence of factions within the party and the abolition of Article 6 of the Soviet Constitution which defines the leading role of the Soviet Communist Party.

The plenary meeting adopted the revised draft platform, and also discussed the Lithuanian Communist Party's decision at its 20th congress last December to break away from the Soviet Communist Party.

The plenary session also condemned the Lithuanian Communist Party in a resolution for its separation from the Soviet Communist Party organizationally and politically.

The meeting, originally scheduled for two days, was prolonged for one more day.

Diplomatic, Military Experts Begin Beijing Talks

OW0902084590 Beijing XINHUA in English
0629 GMT 9 Feb 90

[Text] Beijing, February 9 (XINHUA)—Chinese and Soviet diplomatic and military experts started their second round of talks here today to discuss the principles guiding the reduction of military forces on the Sino-Soviet border and the buildup of mutual trust in the military field.

The talks were held according to an agreement reached during the Sino-Soviet summit last May.

The two sides commented positively on the first round of talks held in Moscow last November and expressed readiness to make further efforts to reduce the military forces in the border area to the minimum level corresponding to their normal and good-neighborly relations.

Led by G.V. Kireyev, the Soviet group of officials from the Foreign and Defense Ministries arrived in Beijing Thursday. They were met at the airport by Liu Guangzhi and other Chinese officials.

Northeast Asia

Bu He Meets With Mongolian Buddhist Group

SK0902004990 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 6 Feb 90

[Text] On the afternoon of 6 February, at the (Zhemeng) Hall of the auditorium of the regional government, Bu He, chairman of the region, met with a group of Buddhists of China visiting from the People's Republic of Mongolia. This five-member group, headed by (Que Zhamusu), deputy (?director) of (Gandan) Temple, has been the first group of Buddhist people invited to visit the region since the normalization of the relations between China and Mongolia. After arriving in the region on 31 January, the group visited temples of (Dazhao), (Yilipu), (Wudan), and (Beidai) one after another, participated in some Buddhist activities, paid homage at the Genghis Khan Mausoleum, and toured some scenic spots and historical sites.

During the reception, Bu He first extended a welcome to the group for coming to the region. He said: Over recent years, the Inner Mongolia Autonomous Region has greatly developed its contacts with the People's Republic of Mongolia in the fields of economy, trade, culture, and education. Now, the exchanges in religious circles have also begun. This is conducive to developing friendly relations between the two countries. It is hoped that in the future, the friendly exchanges in various fields will continue to strengthen.

(Que Zhamusu) expressed his gratitude for the warm reception during the visit. He wished further development of friendly contacts between the two countries.

Participating in the reception were Wu Lan, vice chairman of the regional committee of the Chinese People's Political Consultative Conference, vice president of the Buddhist Association of China, and president of the Buddhist association of the region; responsible persons of pertinent departments of the regional government; and responsible persons of the Buddhist Association of Hohhot City.

Magazine Views Inner Mongolian Tension

HK0802132190 Hong Kong *TANG TAI* in Chinese No. 10, 3 Feb 90 pp 6-7

[Article by Wan Li-hsing (8001 6849 5887): "Prodemocracy Movement Surges in Mongolia; Tension Mounts in Inner Mongolia"]

[Text] The recent prodemocracy waves among the people of Mongolia have made the CPC considerably nervous. Although Mongolia is a small and economically backward country (with a population of just two million people), the nervousness within the CPC is not less than that caused by the drastic changes in Eastern Europe. This is first of all because Mongolia borders on China's Inner Mongolia. Eren, situated on the border between Mongolia and Inner Mongolia, is just 700 km from Ulaanbaatar, the Mongolian capital, or about 10 hours in an express train. Inner Mongolia has quick access to any events in Mongolia. Moreover, the people in Inner Mongolia and Mongolia share a common language which is all the more conducive to the spread of news. Although the changes in Eastern Europe have been drastic, they are happening several thousand kilometers from China and their impact will be greatly weakened due to language difficulties. On the contrary, events in Mongolia have a more "immediate impact" on China. This being the case, when Mongolia, the second socialist country in the world (it established a socialist regime 69 years ago, far earlier than the CPC), faces a crisis of popular opposition, it is impossible for the CPC not to worry about its influence on Inner Mongolia.

Since the prodemocracy movement took place in Mongolia, the CPC has made every effort to prevent news about the movement from spreading to Inner Mongolia. Mass media in Inner Mongolia did not carry a single word about the demands of the Mongolian people. Moreover, in view of the fact that during last May and June Han and Mongolian people took to the streets side by side demanding democracy, CPC authorities in Inner Mongolia dared not take the event lightly and immediately made a series of preparations to prevent any emergencies. These included:

1. Sternly purging cadres in party and government organizations who are viewed as harboring "ideas favoring bourgeois liberalization."

There are over 60,000 basic party organizations under the jurisdiction of the Inner Mongolian [the word Autonomous missing, as published] Regional CPC Committee. A document issued by the regional party committee in the middle of January admits: "In last year's political upheaval, some party organizations were not operative at the critical juncture, and in the face of important matters of principle, some party members either failed to uphold the party stand, assumed an ambiguous attitude, or spoke openly in defense of erroneous things. Moreover, some party members even directly participated in or supported disturbances." Being very much afraid that

these "liberals" would be influenced by the prodemocracy movement in Mongolia, the CPC is firmly determined to purge them. For this purpose the document stipulates: The organization department of the regional party committee will conduct an overall investigation of leading cadres at the county level or above in line with the "domestic and international situation" and the "screening and investigative work." They will then "be classified and firm measures taken to readjust those leading bodies which are not up to standard." The organization departments at the league, city, county, and banner levels are also required to conduct purges among cadres in their lower levels in accordance with the abovementioned guidelines. Those cadres who are viewed as qualified will be sent in rotation, by stages and groups, to the autonomous regional party school to receive training during the next three years. The purpose is to give cadres "preventive inoculations" to ensure that they are immune from being influenced by their next-door neighbors. In the meantime, work teams have also been sent to carry out purges down to grass-roots units.

2. Ideological control over party members is tightened.

Zhang Dinghua, deputy secretary of the Inner Mongolian Regional CPC Committee in charge of organization work, stipulated: "Ideological education" will be conducted this year among party members with the stress on "education in adherence to the four cardinal principles and opposition to bourgeois liberalization and peaceful evolution." He urged the purging of party members in accordance with their behavior during the 4 June incident and "to continue to carry out screening and investigative work in a down-to-earth manner and through to the end." As for ordinary party members, they are also required to "study" once within a period of 5 years in party schools at different times.

3. Mass organizations are required to do a good job in "reassuring the masses."

At the end of last year and the beginning of this year, mass organizations in Inner Mongolia, such as the trade union and women's federations, held meetings in turn to make plans to carry out the work of "reassuring the masses." At the two meetings, Qian Fenyong, deputy secretary of the Inner Mongolian Regional CPC Committee in charge of mass work, stressed: Trade union and women's federation organizations at all levels and their cadres should "take a firm stand, maintain unity with the central authorities in a clear-cut manner, and work hard to check disturbances and stabilize the situation." At the Sixth (Enlarged) Plenary Session of the Fourth Federation of Trade Unions in the region, he said: (Beijing's) lifting of martial law marks that the situation in the whole country, including Inner Mongolia, is stable. "However, we should wage a firm struggle against imperialism, bourgeois liberalization, and splittism rather than lowering our guard and becoming careless." He called on trade union cadres at various levels to "make contributions in stabilizing the overall situation and the ranks of staff members and workers."

4. The nationality united front work is strengthened to repress feelings for national independence.

In early January this year the Inner Mongolian Regional CPC Committee sponsored "a photo exhibition on Comrade Ulanhu's revolutionary activities" in Hohhot, hoping to do a good job of nationality united front work by giving publicity to this personage (Ulanhu established China's first minority nationality autonomous region—the Inner Mongolia Autonomous Region—in 1947 for the CPC. Being a member of a minority nationality himself, he enjoyed high prestige in Inner Mongolia). In mid-January, the regional party committee approved the filming of a full-length television drama series "Ulanhu" by the Inner Mongolia Television Station. When authorizing approval of the exhibition, the regional party committee pointed out: Nationality united front work is conducive to political stability. With political stability "our country will be able to establish itself in an unsatisfactory position and strike powerful blows at the imperialist 'peaceful evolution' schemes, bourgeois liberalization, the splitists' destructive activities, and all the destructive activities of hostile forces."

5. Military precautions are enforced.

After the outbreak of the Mongolian people's struggle for democracy, as instructed by the Beijing Military Region, the Inner Mongolian Military District called a meeting attended by leaders of troops and the Armed Police units in the region to study related countermeasures. Informed sources said: The meeting decided to adopt a policy of being inwardly tense and outwardly relaxed in dealing with the events happening 700 km away. The CPC is unwilling to make the placement of troops on garrison duty too noticeable because it is out of tune with the publicity given to the "lifting of martial law," but it is afraid of not being on the alert. Hence, there is the policy of "being inwardly tense and outwardly relaxed." What measures the meeting devised remain secret so far. However, a source said: One of them relates to this year's conscription. According to the meeting, the focal point is "to ensure the quality of soldiers to be recruited." To do so, it is necessary to strictly ensure the "soundness of political examination" and to "resolutely stop people who participated in the turmoil and counterrevolutionary rebellion; lawless elements engaged in such cases as beating, smashing, looting, burning, and killing; and people who have succumbed to bourgeois liberalization thinking in a serious way and resent the socialist system because of being drafted into the army." With these measures, the CPC hopes to guard against the struggle for democracy in Mongolia spreading to its side.

Near East & South Asia

Seminar Predicts Improved Sino-Indian Ties

OW802212590 Beijing XINHUA in English
1457 GMT 7 Feb 90

[Text] New Delhi, February 7 (XINHUA)—The nineties will see a "further improvement" in Sino-Indian economic and political ties.

This was the consensus reached at a two-day seminar on "China and the Third World" organized by the Academy of Third World Studies (ATWS) of the Jamia Millia Islamia here recently.

Scholars and defense analysts attending the seminar said that between 1982 and 1986, two-way trade between India and China shot up from 80 million U.S. dollars to 160 million dollars. A large number of new items for trade with China have been identified during recent business delegation visits, they said.

The experts generally were of the view that efforts at promoting mutual peace and better political relations with China will help both bilateral and regional economic cooperation which India also seeks to promote.

They noted that China are now supporting the Group of 77 and the Nonaligned Movement more enthusiastically than ever before.

Some said China now has trade agreements with at least 57 Third World countries and one-third of its trade is run through counter trade agreements with these countries.

Professor Kashiram Sharma of Delhi University cited the more liberal treatment being meted out now to China's ethnic minorities in the country.

Dr. Abhay Srivastava stressed the greater support being given by the Chinese Government to religious associations and its more liberal attitude in allowing worship in public temples and celebration of religious festivals.

OAU Appreciates Government Assistance to Africa

*OW0902035090 Beijing XINHUA in English
1840 GMT 8 Feb 90*

[Text] Addis Ababa, February 8 (XINHUA)—The Organization of African Unity (OAU) today expressed thanks to the Chinese Government and people for their assistance to Africa in overcoming difficulties caused by natural disasters.

Meeting with Chinese Ambassador to Ethiopia Gu Jiaji at the OAU headquarters, OAU Secretary General Salim Ahmed Salim said that a 500,000 renminbi (about 106,000 U.S. dollars) donation China has promised to the OAU emergency fund for famine and drought is a practical contribution to Africa.

The donation is in keeping with the traditional friendship between the Chinese and African people, he added.

The donation by the Chinese Red Cross Society will come in the form of relief goods, including blankets and medicines. According to the OAU arrangement, the supplies will be distributed to ten member countries including Ethiopia, Somalia, Sudan and Mauritania.

On the situation in China, Mr. Salim said that he has been following the events in China closely because

stability in China is "very important" to the world, particularly to the Third World including Africa.

He pointed out that China's problem concerns not only China itself but also its friends in the world, adding that the OAU hopes to see stability and prosperity in the country.

The Chinese ambassador said that China appreciates OAU's efforts to alleviate the sufferings of the African people and wished to see its long-standing friendship and cooperation with Africa expanded.

On the recent developments in South Africa, the OAU secretary general stressed that pressure on Pretoria should not be relaxed although the OAU welcomes the [word indistinct] of the African National Congress (ANC) and the promise to release ANC leader Nelson Mandela announced by South African President F.W. de Klerk last week.

Relaxation of the pressure on South Africa at this time will jeopardize all the efforts made so far to end apartheid and Africa still has a long way to go in the struggle against apartheid, he said.

Ambassador Gu voiced full agreement with Mr. Salim and pledged that the Chinese Government will continue to support Africa in the struggle against apartheid.

West Europe

Exhibition at Paris Tourism Fair Proves Popular

*OW0802202890 Beijing XINHUA in English
0629 GMT 8 Feb 90*

[Text] Paris, February 7 (XINHUA)—China's exhibition was among popular highlights of the 15th international tourism fair in Paris, which closed today.

Participating in the week-long fair attracting some 50,000 visitors were more than 80 nations and 700 companies. As tourists lined up to see the sights, some 1,800 trade professionals gathered to talk.

China's exhibition, largest it has mounted since 1984, covered 220 square meters and had entries representing the travel industry, Civil Aviation Administration of China and special promotion groups from Beijing, Shanghai, Tibet and Guangzhou.

Ambassador Presents Books to Finnish University

*OW0802151690 Beijing XINHUA in English
1625 GMT 7 Feb 90*

[Text] Helsinki, February 7 (XINHUA)—China presented here today some 250 books to University of Helsinki President Paivio Tommila at a ceremony held in honor of its 350th anniversary.

Speaking on behalf of the State Commission of Education of the People's Republic of China, Chinese Ambassador Yu Lixuan expressed warm congratulations to the university, which was founded in 1640 in the old capital Lurku.

Tommila replied by thanking the Chinese Government and people for further promoting friendship and cultural exchanges between the two countries.

Latin America & Caribbean

Anniversary of Sino-Colombian Ties Celebrated

Colombian Envoy Hosts Dinner

OW0802042190 Beijing XINHUA in English
1640 GMT 7 Feb 88

[Text] Beijing, February 7 (XINHUA)—Jose Maria Gomez, Colombian ambassador to China, hosted a dinner here this evening to mark the 10th anniversary of the establishment of diplomatic relations between China and Colombia.

Among the guests was Qian Qichen, Chinese foreign minister.

PRC Envoy Hosts Banquet

OW0802223390 Beijing XINHUA in English
1557 GMT 8 Feb 90

[Text] Bogota, February 8 (XINHUA)—Chinese Ambassador to Colombia Wang Yusheng hosted a banquet Wednesday night to celebrate the 10th anniversary of establishing diplomatic ties between the two countries.

Among the guests present were Colombian Deputy Foreign Minister Clemencia Forero, former Colombian Presidents Julio Cesar Turbay Ayala and Misael Patrana Borrero, Defense Minister Oscar Botero Restrepo, Education Minister Manuel Francisco Becerra and representatives of the Colombia - China Friendship Association and the Chinese community in Colombia.

Also present were Senator Diego Uribe, who was foreign minister at the time diplomatic ties were established between the two countries.

Meanwhile, the Chinese Embassy and Colombia's Foreign Ministry together sponsored an exhibit of Chinese art at Colombia's national library. The exhibition, which was inaugurated on February 5, will run for three weeks.

Colombia and China established diplomatic relations on February 7, 1980.

Political & Social**Article Recalls Jiang Role in Cultural Revolution**

*HK0902041390 Hong Kong WEN WEI PO in Chinese
9 Feb 90 p 5*

[“Special article”: “Jiang Zemin During the Cultural Revolution”]

[Text] In May 1966, the First Ministry of the Machine-Building Industry assigned Comrade Jiang Zemin to assume the office of director and concurrently party committee secretary of the Wuhan Heat Research Institute. At that moment, the Great Cultural Revolution started and Jiang Zemin was ordered to “stand aside.” Despite the misunderstandings and grievances, he held heart-to-heart talks with the masses, listened to their opinions, and persuaded them to stick to their posts.

Facing mass criticism and misunderstanding, Jiang Zemin kept in touch with the masses. Lao Yang, director of the General Office of the institute, had served as a guard in Zhongnanhai for more than 10 years. He was a worker-peasant-soldier cadre loyal to the party, and met by Mao Zedong and Zhou Enlai on many occasions. As he wrote letters three times to the central authorities, exposing the speeches of Zhang Chunqiao against Mao Zedong Thought and the mistakes of Jiang Qing’s “attacking with reason and defending with force,” he was labeled a “reactionary.” Jiang Zemin told him: “Lao Yang, you are a good comrade. You should believe that with the revolutionaries of the elder generation still in good health and with the People’s Liberation Army, the sky won’t fall down and your problem will eventually be resolved.” Jiang Zemin repeatedly told Liu Zhenhua, a student sent to “examine” his problems: “There are also all kinds of people in our socialist country. You young students should be sober-minded and learn how to analyze problems. You should use your brains to see through the essence of matters.” As a result Jiang and Liu dispelled their misgivings. Liu Zhenhua quietly told his good friend that he was grateful to Jiang Zemin for his education and help.

Jiang Zemin seldom tells others about his family. According to comrades familiar with him, Jiang Zemin’s father Jiang Shangqing was a martyr who joined the revolution in 1930 and sacrificed his life in his early years. He had an uncle who was a famous painter in Yangzhou. His wife Wang Yiping was a political work cadre who later became chief of a television research institute in Shanghai. Wang Yiping’s father was an unknown stage actor who died of poverty and illness in Shanghai before liberation. Wang lived with her mother. At that time, Wang Yiping, together with her sons Minkang and Miakang, came to Wuhan to visit her relatives, leaving people an impression of her refined manners, simple and plain style, and amiability. Jiang Zemin and his wife were very strict in educating the two sons. Their elder son Minkang went to the countryside to temper himself, entered a university after passing the

national examination, and later became a graduate student. He also studied in the United States. Their younger son Miakang joined the army and then became a worker after demobilization. He studied on his own and entered a workers’ university. He also engaged in advanced studies in the Siemens Corporation in West Germany. Now both Minkang and Miakang are working in Shanghai. According to the principle laid down by their father, they are now “making efforts and setting a direction by themselves and advancing amid an arduous environment.”

Further Reaction to Multiparty Cooperation Plan**Democratic Leader Approves**

*OW0802201290 Beijing XINHUA Domestic Service
in Chinese 0706 GMT 8 Feb 90*

[Article by Sun Qimeng, chairman of the Central Committee of the China National Democratic Construction Association: “New Development of the Multiparty Cooperation System Under the Leadership of the Communist Party of China”]

[Text] Beijing, 8 Feb (XINHUA)—Right at the beginning of the new year, the CPC Central Committee published the document “Opinion of the CPC Central Committee on Persisting in and Improving the System of Multiparty Cooperation and Political Consultation Under the Leadership of the CPC.” This was an important event in the political life of China. It is of particularly great significance and influence that this political document was promulgated and put into effect under the present conditions. To maintain and enhance the political situation of stability and unity in our country is always the major prerequisite to doing all our work well. The promulgation of the document has very clearly shown to people at home and abroad that the political situation in China is stable. It has also put forward guiding principles and effective measures for consolidating and enhancing the stable situation through the important system of multiparty cooperation under the leadership of the Communist Party. We firmly believe that the document will play a far-reaching and positive role in promoting the self-improvement of China’s political system and the development of socialist democratic politics, bringing about success in improving the economic environment, rectifying the economic order, and deepening the reform; politically ensuring sustained, stable, and coordinated development of the national economy; promoting overall understanding of China internationally; and facilitating joint international efforts to maintain world peace and further international development.

Along with other democratic parties, from the very beginning the China National Democratic Construction Association took part in investigation, study, consultation, and formulation of the document. We think the document has two striking features to which we should attach importance. First, it unequivocally points out that

under the complete political system of multiparty cooperation and political consultation under the leadership of the Communist Party, upholding the leadership of the Communist Party of China is a major prerequisite and important guarantee for correctly implementing the system. Without the leadership of the Communist Party, it is definitely questionable whether this system can be established, upheld, and developed. Without the leadership of the Communist Party, there will be no fundamental guarantee for this system to persistently work to attain its general objective of building socialism with Chinese characteristics. Second, this document vividly embodies the common aspiration of the Communist Party of China and the democratic parties, with the PRC Constitution as the basic code of conduct. In formulating the document, the democratic parties and persons without party affiliation actively engaged in consultation and gave their opinions. The Communist Party of China, while playing its leading role, respected and assimilated these opinions. We may say that the document itself is a successful example of multiparty cooperation under the leadership of the Communist Party. This experience shows that in order to strengthen and improve its leadership, it is necessary and beneficial for the Communist Party to persist in and improve the multiparty cooperation and political consultation.

The China National Democratic Construction Association completely endorses this political document.

Organizations at various levels and all members of this association should seriously study and implement the document, further strengthen our own building, and better play our role as members of a political party within the framework of the multiparty cooperation under the leadership of the Communist Party. In any complex situation we should never change our stand of upholding the Communist Party leadership and the socialist road, and we should make a clear break with and persistently struggle against anyone who advocates opposition parties and capitalism. At the same time, we should work with other democratic parties under the leadership of the Communist Party of China, do a good job in publicizing the document, seriously implement it, accumulate and sum up experience, and make this system more effective and more able to serve the political line of the present stage.

Peasants, Workers Party Meets

OW0902045190 Beijing Television Service in Mandarin
1100 GMT 8 Feb 90

[From the "National News Hookup" program]

[Text] [Video opens with shots showing about 15 people seated in a room, followed by medium and closeup shots of Fang Rongxin reading a speech from a prepared script, and then several medium shots of other conferees]

The leading body of the Chinese Peasants and Workers Democratic Party held a meeting this afternoon to discuss the Opinions of the CPC Central Committee on

Persisting In and Improving the System of Multiparty Cooperation and Political Consultation Under the CPC's Leadership. Executive Vice Chairman Fang Rongxin presided over the meeting.

Fang Rongxin said: The CPC document is a Marxist programmatic document guiding the work of all democratic parties, and its promulgation is an important event in the political life of the Chinese people. We resolutely support it. Fang Rongxin continued.

[Begin recording] Upholding the CPC's leadership and the four cardinal principles is the political basis for cooperation between the CPC and the democratic parties. The 60-year history of the Chinese Peasants and Workers Democratic Party proves that it is our only correct historic choice to accept the CPC's leadership and to persist in taking the socialist road. The document further clarifies that the CPC is the ruling party and the leading core of the socialist cause. The democratic parties are the CPC's close fraternal parties accepting the CPC's leadership, fully cooperating with the CPC in devoting themselves to the socialist cause, and participating in government affairs. The document accurately expounds that China's system of multiparty cooperation is fundamentally different from the multiparty system or bipartisan system in the Western capitalist countries, and also differs from the one-party system in some socialist countries. It shows the characteristics and strong points of our country's political system of multiparty cooperation. Ours is a socialist political party system which conforms to China's national conditions.
[end recording]

He said: Of the 24 points of opinion contained in the document, five deal with the role of democratic parties in participating in government and political affairs. This fully shows the CPC's determination to persist in improving the system of multiparty cooperation and political consultation, and the ardent expectations it places in the democratic parties. The document is a great encouragement to us. In the past, we have played an important role in participating in government and political affairs. From now on, we will continue to play this role, making it even larger, while upholding the four cardinal principles. We will strengthen our own building, improve our political quality and vocational skills, pay attention to training middle-aged and young members of our party, and recommend for leading posts in government departments a number of qualified personnel who uphold the four cardinal principles, oppose bourgeois liberalization, and have the ability to participate in government and political affairs.

Other speakers at the meeting included Shen Qizhen, chairman of the Central Consultative and Inspection Committee of the Chinese Peasants and Workers Democratic Party, and Tian Guangtao, vice chairman of the Central Committee of the Peasants and Workers Democratic Party. They expressed their views on the document.

Report Views Underground Democratic Party

*HK0902035090 Hong Kong MING PAO in Chinese
9 Feb 90 p 9*

[“Special Dispatch”: “A Secret Political Party in East China, the Social Democratic Party of China, Has the Overthrow of the CPC As Its Goal”]

[Text] Under the one-party dictatorship of the Chinese Communist Party [CPC], the open establishment of an opposition organ hardly has a chance. But some underground organizations have been at work plotting the overthrow of the CPC and vigorously trying to build up their own strength.

A responsible person of the “China Social Democratic Party” based in East China said to this reporter: The June 4 Incident has caused many Chinese to cast away all illusions about the CPC. Without the June 4 incident, it would have been difficult to build up an organization. Judging from this, the June 4 incident has, on the contrary, helped toward the organization and development of democratic causes.

The Social Democratic Party developed from the Chinese Mass Government Party of a few people in 1985, to what since July last year, it is called now. It has 49 core members and 61 general members. The members cover a wide social segment, including students, teachers, workers, intellectuals, soldiers, officers, unemployed youths, peasants, secret society members, and so forth. The program of the party calls for “eliminating supreme party rulers and bureaucratic overlords, bringing about democracy and the rule of law, promoting the market economy, and making the Chinese nation rich and strong.”

The responsible person said that at present, the party is energetically concentrating efforts on waking up the masses and recruiting members, and enlarging the scale of the organization through bill distribution and other propaganda means. The aim is for 50,000 to 100,000 core members and 300,000 general members. They also intend to establish ties with overseas pro-democracy organizations, set up overseas branches, and seek the help of people abroad.

The Social Democratic Party raises a clear-cut banner opposing communists, wanting to overthrow the old system of dictatorship, and set up a new democratic system. The party also calls for combining peaceful and military means to reach its aims. They consider that when the people use peaceful means in fighting for democracy and meet with violent communist suppression, the people have the right to defend themselves with normal measures. The “June 4 Incident” has proved this. The said responsible person said: They strengthen their armed forces chiefly by following two ways: 1) Instigating rebellion within the PLA and resorting to infiltration and publicity; 2) Secretly building up their own defenses.

He said that many underground organizations on the mainland are anti-communist. To his knowledge, these organizations exercise unusually great prudence and do not seek many ties, for the sake of safety.

The Social Democratic Party has an elaborate concrete plan for development. The plan is divided into three parts—near-term, middle-term and long-term goals—with given time limits of three years, five years and eight years respectively. But the organization’s concrete plan is absolutely secret.

Article Urges Close Party-Masses Ties

*HK0502142090 Beijing RENMIN RIBAO in Chinese
4 Feb 90 p 3*

[Article by Wen Jiabao (3306 1367 1405): “Keep in Close Touch With the Masses, Earnestly Improve the Style”]

[Text] Since the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee, the party Central Committee has particularly stressed maintaining and carrying forward the party’s fine tradition, upholding the mass line and seeking truth from facts, improving leadership work style, and urging party leading organs at all levels to have a new outlook in work. It is essential that general offices of the party committee at all levels, as important party work organs, earnestly improve their style and work properly in the new situation.

Improving work style constitutes an important aspect of party building and is an essential guarantee for implementing the party’s line, principles, and policies. In recent years, the general offices of the party committee at all levels have done a great deal of work to improve their style. The progress made is quite obvious. Why, then, is it currently necessary to stress the issue again? In my opinion: It is required by the new situation and tasks. We have just stride into the 1990’s. During the next decade we must maintain the political situation of stability and unity, promote reform and the socialist modernization program, and attain the quadrupling target. The tasks are indeed arduous. Under such circumstances, it is particularly important to do a good job of party work. At present, fundamental questions in party building and work are to: Maintain close ties with the masses, rely on them, and keep them closely around the party; proceed in everything from practice, our national conditions, the specific conditions of each locality and department, and the vital interests of the people; seek truth from facts; and to work hard in a down-to-earth manner. In this way, neither difficulties nor storms can shake our confidence or stop us from advancing. The new situation and arduous tasks have set stricter demands on party style and work. Following the Fifth Plenary Session of the 13th CPC Central Committee, the party Central Committee clearly pointed out that the whole party should seek new heights in upholding the mass line and improving leadership work style. The general offices at all levels should immediately take action and earnestly

improve their style to meet the requirements of the new situation and tasks **is required by the party's fundamental purpose.** The party's fundamental purpose is to wholeheartedly serve the people. During the long-term revolutionary struggles our party has maintained close ties with the masses and established a full set of theories and work style for the Marxist mass line. Historical experience has proved that our cause will proceed smoothly when the party follows the mass line and fully trusts and relies on the masses. Conversely, our cause will suffer setbacks and even failure when we are divorced from the masses. This was the case during the period of revolutionary wars and the period of socialist construction and reform. The mass line mentioned here has two meanings, as pointed out by Comrade Deng Xiaoping: We must maintain close ties with the masses, rely on them, and never be divorced from them. Every party member must foster the ideological and work style of serving the people, holding himself responsible to the masses, consulting with the masses when matters arise, and sharing the comforts and hardships of the masses. On the other hand, we must uphold correct party leadership and adhere to the work line of "from the masses, to the masses." The stress on the party's fundamental purpose and the mass line today will be of great significance in strengthening and improving party leadership, mobilizing and uniting the broad masses, overcoming difficulties with one heart and one mind, fulfilling the tasks of improving the economic environment, rectifying the economic order, and deepening reform, and attaining the party's grand strategic objective.

The general offices at all levels must bear in mind and earnestly carry out the party's fundamental purpose. They must uphold the mass line in all fields of work. The general offices serve as bridges linking the party committee at all levels with the masses. The situation at the basic levels and the voice of the masses reach the party committee through the general offices; and the decisions of party committee are conveyed to the basic levels and the masses through these general offices. The party committee at all levels should regard the general offices as an access to important information and as assistants and advisors. Because the general offices form a connecting line between the top and lower levels, the broad ranks of cadres and masses have naturally set strict demands on them. Hence, it is especially important for the general offices to constantly improve their work style and services. We must fully understand our special position and responsibility, realize that our work style has a direct bearing on relations between the party and the masses and on the party's cause, and consciously uphold the purpose of wholeheartedly serving the people and the work style of seeking truth from facts and maintaining close ties with the masses. **The requirement of maintaining and developing the excellent party tradition** Our party is armed with Marxism-Leninism-Mao Zedong Thought and excellent traditions. Our party's most excellent traditions are seeking truth from facts, close ties with the masses, and maintaining intimate relationship with masses from beginning to end. The

general office of the central authorities and the party committee general offices at various levels have long worked beside the central authorities and party committees, received direct care, education, and influences from the party, and so have paid serious attention to maintaining and developing the party's excellent traditions. Over the last few years we have done a tremendous amount of work in this respect and the improvement in style has been obvious. This has been shown chiefly in the following: Information research has been greatly strengthened; the information network set up among the party committees across the country has increasingly become one important channel for leading organs at various levels to learn the real situation; and inspection and prompting have become quicker and more frequent. A national network has taken shape, basically making sure that there are persons responsible for overseeing jobs approved for implementation by leading cadres and for arranging manpower to tackle issues of concern to the masses. The consciousness of playing an advisory and coordinating role is being slowly heightened and this has improved the quality of preparation work and proposals for leaders at various levels in drafting documents and agendas and in organizing meetings. All this demonstrates that the party's general offices, under the new historical conditions, are becoming increasingly involved in maintaining close ties with, and serving, the masses and offering services for leading organs. Of course, there are still adjustments to be made in the area of the style of the general offices, which has yet to be accommodated with the new situation and leading organs. The major problems are: Inspection and supervision remain relatively weak and in-depth research is insufficient; the effectiveness of some information has been as strong as expected but there is still room for improvement in work efficiency and quality. We must continue to work on maintaining and developing the party's excellent traditions and improving its style. **Step up supervision and inspection work.** Fundamentally speaking, supervision and inspection are targeted at leadership style at various levels. The extent of the implementation by leading cadres at various levels of party policies, the extent of enforcement of central directives, the study and solution of the masses' difficulties, opinions, and requests—all these will serve as pointers to their party principles, the adoption of the viewpoints of the masses, and their work style. To be fully responsible for the party and the mass of the people we should constantly, seriously, and practically conduct supervision and inspection, identify problems, plug loopholes, and improve our work. We should approach the issue of supervision and inspection in the light of the urgency of party style.

Supervision and inspection constitute important work items for the party general offices. In recent years, the general offices of the party at various levels have done some work in speeding up and inspecting the implementation of party committee decisions and leading comrades' directives. However the depth and extent of the work have lagged far behind the needs of the situation

and missions. There is not only the need to expand the work scope but also to make organizational and institutional improvement, so that the work can be normalized and institutionalized as fast as possible.

A preliminary concept of the next stage of the expansion of supervision and inspection is as follows: First, the principle of supervision and inspection operates according to the demand of the central authorities and revolves around the core of the work of the central authorities. We must insist on seeking truth from fact and coming to grips and reporting on the true conditions in a comprehensive and accurate fashion, reporting both bad and good news. We must pursue the work in a practical fashion and not lapse into formalism. Second, supervision and inspection must be focused on the progress of the enforcement of the party's line, direction, and policies and the important decisions and work plans of the central authorities. Third, the forms and methods of supervision and inspection must be based on specific requirements. After a central document has been issued, or a work plan formulated, various regions and departments must report on the condition of the implementation of the document and the plan on a regular basis and the general offices of the party will be responsible for supervision and inspection. There must be supervision and prompting by the party general offices of departments which have undertaken projects laid down by the central authorities, so that implementation will be thorough, items of work accounted for, and every mission reported on. Information networks should be employed to promptly collect feedback and the rate of progress of implementation of decisions by the central authorities to centralize, marshal, analyze, and synthesize reports, and, on this basis, to file full reports to the central authorities furnishing background information, analyzes, and suggestions. The general offices may send people down to conduct spot checks in order to grasp the true situation. In a word, for decisions by the central authorities, the departments concerned in the central and local authorities should have a plan in store to check their implementation; and the party general offices at various levels should take the initiative and actively pursue the work.

Strengthening investigations and studies for information. The basic task of the leading organs is to understand the situation and have a good grasp of the policies. Vigorously promoting investigations and studies in the whole party is the basic link for improving the party's work style. Today, when we are carrying out socialist construction, promoting reform, and opening up, these basic viewpoints are still of important guiding significance. Only by conducting thorough social, political, and economic investigations, and making a correct analysis on such a basis, can we formulate correct guiding principles and policies. Only by deeply understanding the situation in China, and persisting in proceeding from reality, can we build socialism with Chinese characteristics. At present, we must maintain our country's political stability. We must do well in economic improvement and rectification and in deepening the reform. These are strenuous tasks which demand that we constantly go

deep into the realities of life to carry out investigations, study the new situation, sum up new experiences, and solve new problems.

In recent years, general offices of the party committee at all levels have done a lot of investigation and study work for information. They have produced considerable and important results of investigations and studies and provided a large quantity of information. This has played a very good role in helping party committees at all levels to have a good grasp of social developments and scientifically formulate policy decisions. However, generally speaking, our investigations and studies for information have not yet fully met the demands of party work and further efforts are needed to do well in this regard. Investigation and study work in a party committee general office must be carried out in accordance with the demands of the party committee and the characteristics of its own work. We can adopt many and varied forms for investigations and studies. Leading comrades can introduce subjects for investigation and study or assign tasks. The general offices of the party committee may send people to carry out investigation and study and submit a report on a certain question. We can discover problems from a large quantity of information and select typical cases, so that we can conduct direct investigations. In the meantime, we can also adopt a method of combining work on key points with work in other areas to synthesize and analyze the situation in various quarters. We must utilize the strong points of the general offices as a comprehensive department to screen and select the investigation data and results from the departments concerned. No matter what methods we adopt, we must set our eyes at the lower levels, go deep into the realities of life, and personally participate in investigations and studies.

General offices must establish and improve rules and regulations for establishing contacts with grass-roots levels. At present, the Central General Office has established information liaison links with various departments and units. This is an important measure for strengthening information work and an effective form for party and government organs to contact grass-roots units and the masses. The CPC Central Committee and the State Council recently demanded that party and government cadres at all levels leave their offices to go deep into the countryside, schools, grass-roots units, and the masses to conduct investigations and studies and to do mass work. General offices of the party committee at all levels must answer the call of the CPC Central Committee and set a good example through their own practical actions. All work personnel in the general offices must persist in serving the masses, the reality, and the society to do their own work well. If conditions permit, they must often go deep into grass-roots units. A system must be established in this regard and we must persistently observe it.

To improve our work style we must, first of all, attach importance to the ideological building of our contingent. Considering the nature of the work of the general offices

and their tasks, I believe that we should grasp the following work well in order to strengthen our ideological building: **Stick to the correct political orientation.** General offices are key party departments. They must stick to the correct political orientation unswervingly and persistently. This is the most important point in ideological building and the prerequisite for improving work style. To the general offices, sticking to the correct political orientation means that they must keep in line with the CPC Central Committee politically, ideologically, and in their actions. They must uphold the four cardinal principles, persist in reform and opening up, oppose bourgeois liberalization, and carry out their work in accordance with the party line, guiding principles, and policies. **Foster the idea of serving the people.** This is a basic demand for the work of the general offices and the ideological base for improving their work style. The work of the general offices is, in the final analysis, to provide "service." Specifically speaking, they must serve both the upper and lower levels. Serving the upper levels means that they must serve the CPC Central Committee and leading organs at all levels and conscientiously uphold the unity of the party, the collective leadership, democratic centralism, and the authority of the CPC Central Committee. Serving the lower levels means that they must serve grass-roots party organizations, party members, and the people. Whether they serve the upper or lower levels, their final aim is to serve the people. We must consciously integrate the service for the upper levels with that for the lower levels and link our responsibility for the party with that for the people. **Strengthen the concept on efficiency.** Enhancing working efficiency is an important aspect for improving the work style of the general offices. High-efficiency and high-quality work in the general offices can ensure the highly efficient operation of the leading organs and the smooth progress of a variety of party work. Therefore, we must strengthen our concept on efficiency, perfect our operational mechanisms, optimize our working methods, and do our best to cut the number of meetings to a minimum. **Carry forward a pragmatic spirit.** While doing their work, the general offices must establish ties with both leading organs and the masses because they act as an intermediary. They must follow a down-to-earth manner in doing their own work. They are not allowed to play tricks or talk big to impress people. All this is a principle which we must observe and the work style in which which we must persist. While carrying out various work, the general offices must proceed from reality, tell the truth, do a solid job, and persist in seeking truth from facts. **Maintain a clean and honest work style.** This is an important content for promoting party building and improving the work style of our party and government organs. The general offices are working beside the leading organs. Promoting a clean and honest work style in the general offices can produce a great impact on protecting the image of our party. General offices must carry forward healthy trends, advocate the work style of being honest in performing official duties, struggling hard, being modest and prudent, working selflessly and devotedly, and being willing to be an unknown hero.

The present social, economic, and political situation in our country is favorable. Under the correct leadership of the CPC Central Committee, the entire party and people throughout the country are advancing with giant strides along the socialist road with Chinese characteristics. Work personnel in the general offices of the party committee at all levels must inspire their own enthusiasm, improve their work style, and further their work properly. They must never let the party and the people down.

House Arrest for Imprisoned Dai Qing

HK0902024590 Hong Kong *SOUTH CHINA MORNING POST* in English 9 Feb 90 p 8

[By Seth Faison in Beijing]

[Text] Dai Qing, one of China's leading intellectuals jailed after the crackdown in June, was last week moved from Qincheng prison and placed under house arrest outside Beijing, Chinese sources said yesterday.

Although confined to a guest house in the suburbs of the Chinese capital, Ms Dai has been granted permission to read books and periodicals and to receive her husband and daughter for extended visits.

Her family has been told that a detailed investigation into her activity during the protest movement has now been completed and that she would not go to trial.

But the sources did not know if her release from Qincheng was a prelude to full release.

The ambiguity of her status appeared to reflect the leadership's indecision about how to handle prominent figures in last year's pro-democracy movement.

Party leaders, who once pledged to show "not one iota of mercy" to their detractors, have been increasingly concerned about China's image abroad, but at the same time are fearful about appearing weak.

The sources were unaware of the fate of other leading figures in Qincheng, such as student leader Wang Dan or activist Cao Si-yuan.

Several well-known activists, including Wang and Cao, were allowed to see their families briefly over the Lunar New Year holiday.

Although there have been rumours that Ms Dai had already been let out of prison, those close to her family said she remained in Qincheng until last week.

Speculation that she might get out by the Lunar New Year grew after she wrote to her husband in late January requesting that he prepare a "letter of guarantee".

The letter listed particulars about where she would live once she was released and required that someone take responsibility that she would behave herself politically.

Chinese authorities have claimed that the 573 people recently released constituted most of those who were arrested in the wake of the June crackdown.

But Western analysts believe that thousands of activists remain behind bars, many of them without being charged or tried for any specific crime.

Dai Qing, 43, a respected writer and reporter for the GUANGMING DAILY, was one of the journalists who met senior party officials last May to demand guarantees for greater freedom of the press.

An outspoken critic of the Communist Party on political, environmental and feminist issues, she publicly resigned her party membership on June 4, shocked and saddened by the Beijing killings.

Commentary Urges Self-Strengthening Efforts

HK0802102590 Beijing ZHONGGUO JINGJI TIZHI GAIGE in Chinese No. 1, 23 Jan 90 p 10

[Commentary: "The Important Thing Is Self-Strengthening Effort"]

[Text] The 10-year period of reform has enabled the Chinese people to break through the narrow perspectives in which they think and work and to relate the affairs of the country to that of the outside world. This is a gratifying achievement. The decade of the 1990's has just begun and naturally people are thinking about the new topics raised by the changes in the international situation.

Obviously, the general tendency of easiness in the world has not changed and this kind of international environment is beneficial. However, at the same time we should also see the other side of the matter. Although the strategy of peaceful transformation employed by Western countries such as the United States has failed in our country due to the quelling of the turmoil and rebellion, the strategy itself has not changed a bit. Not only this, but at the same time as they pushed peaceful transformation they also adopted the measure of economic sanctions in a vain attempt to overwhelm us. It goes without saying that this will have an unfavorable impact on our country's economy and the minds of some of the people, but the critical point rests in the way in which the Chinese people act.

During the past few months, the central authorities have actively adopted measures to strengthen overseas work to improve our international environment and the results have been good. But it must be clearly perceived that some Western countries will never drop their intention to overthrow us and it is useless to hope that they will abandon their attempt to transform socialist China. The important thing is that we recognize the following rule: We must strengthen ourselves and make our country even stronger.

We must resolutely uphold the four cardinal principles and take a clear-cut stand in opposing bourgeois liberalization to eliminate the external factor of peaceful transformation, as attempted by Western countries, becoming an internal factor functioning within our country. So long as people throughout the country closely unite with the CPC and unswervingly go the socialist way, we will not be influenced by any storms and waves in the external world.

The foundation on which China will never be beaten is vigorous development of productivity and a speedy increase in the nation's strength. Some countries in the West are trying to topple us and are they not doing so with their economic strength? If our economy develops better, and in fact, in addition to theory proves that socialism has greater vitality and more attraction than capitalism, then is it peaceful transformation or bourgeois liberalization, neither one will find a good market. Therefore, to develop the economy is of important political meaning in winning the struggle to increase the comprehensive strength of the nation.

This also requires that we get rid of various kinds of interference and head straight for the road of reform and opening up. Our practices since the Third Plenary Session of the 11th CPC Central Committee make it clear to all that only by so doing can we speed up the development of productivity and promote realization of the great undertaking of the four modernizations.

We must also overcome the temporary difficulties we now face and seriously carry out rectification and improvement. Judged from a year's experience, so long as we work according to the spirit of the fifth plenary session, and are determined to lead a thrifty life for several years, our country's economy can embark upon the big road of sustained, stable, and coordinated development.

The situation demands that we must strengthen ourselves: The Chinese nation strengthens itself; the enterprises and various units strengthen themselves; the whole Chinese people strengthen themselves.

Cultural Exchanges Made Despite Problems

OW0802152190 Beijing XINHUA in English 1106 GMT 8 Feb 90

[Text] Beijing, February 8 (XINHUA)—In 1989, some achievements were made in Sino-foreign cultural exchanges despite complicated international and national situations.

According to an official of the Ministry of Culture, the ministry handled 484 Sino-foreign cultural exchange projects in 1989. Of these 302 were delegations and artistic groups sent abroad, involving more than 2,300 people, and 182 were visiting foreign delegations and artistic groups, involving nearly 900 people.

China also reached agreements on government level cultural cooperation with Laos, Nicaragua, Lesotho and Chad, and signed annual plans for cultural exchange with a dozen countries including Mongolia, Yugoslavia, Iran and Peru.

In 1989, China sent musicians, dancers, artists and acrobats to 16 major international competitions, winning 17 awards.

The official said that after the April-June riots in Beijing, some Western countries meted out punishment to China by restricting Sino-foreign exchanges in the political, economic and cultural fields. However, China has been adhering to its independent foreign policy and continued making efforts in cultural exchange with foreign countries.

Last December, China and Japan successfully held the fifth Sino-Japanese cultural exchange consultative meeting.

China also sent artistic groups to tour foreign countries through nongovernmental channels, the official said.

He said that with the return of stability in China, Sino-foreign cultural exchanges have been restored to the normal course. Some Western countries have expressed a wish to strengthen cultural exchanges and develop friendly relations with China.

Economic & Agricultural

Lloyds Bank Claims CITIC Loan Default

HK0302014390 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 3 Feb 90 p 1

[By Geoff Crothall]

[Text] Lloyds Bank has issued a writ of summons on CITIC [China International Trust and Investment Corporation] Industry Bank in Shenzhen for allegedly defaulting on a US\$1.27 million letter of credit.

The dispute arose after CITIC Industrial, which is wholly owned by the China International Trust and Investment Corp, questioned the validity of the bill of exchange drawn by the Ching Tai Trading Co. and supporting documentation sent by Lloyds to CITIC Industrial's Shenzhen branch in November last year.

Sources close to the dispute said the Shenzhen branch only questioned the documentation some two weeks after their receipt.

Lloyds has maintained throughout that the documentation was in order and that CITIC Industrial had no just reason for delaying payment.

The final date for making the payment was December 24.

The decision to file the writ in the High Court of Hong Kong was taken just before the Lunar New Year. This followed lengthy negotiations.

Lloyds was initially reluctant to take CITIC Industrial to court following the failure of Security Pacific's action against the People's Construction Bank of China in November.

However, after several visits from Lloyd's representatives to the offending bank in Shenzhen and repeated requests for payment, followed by a final letter of demand for Lloyds' lawyers, no payment was forthcoming and the British bank decided it had no alternative but to take recourse to the law.

Lloyds is claiming under the action for the sum of \$1.27 million interest thereon of 11 percent per annum, costs and further or other relief.

If the case is successful, it may lead to other international banks in Hong Kong taking similar action.

Several banks are reported to be in dispute with Chinese institutions over unpaid letters of credit.

Article Outlines Obstacles to Market Economy

HK0902044790 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 23 Jan 90 p 2

[Article by Wu Shuqing (0702 2885 7230): "Why China Cannot Pursue Market Economy"]

[Text] In discussing China's economic reforms, some people advocate the transformation of China's economy on the basis of market economy, and hold that this is the only way to optimize the distribution of resources and to improve economic results. They theoretically conclude that socialist economy means commodity economy. Since this is a major theoretical and practical issue, it is necessary for us to analyze it.

I. What is Market Economy

Since the commodity economy smashed the trammels of natural economy, which was marked by self-reliance, and occupied an important place in socio-economic life, socio-economics is generally divided into two distinctive patterns: market economy and planned economy. The economic circle generally does not disagree on this argument. Nevertheless, people may be widely divergent on the definition of market economy and that of planned economy. This is the case among those who advocate the transformation of China's economic system on the basis of market economy. Some hold that market economy means commodity economy because the commodity economy cannot do without the market. Some hold that the commodity economy is different from the market economy because the recognition of commodity economy does not necessarily mean that we must completely recognize the regulation of resources distribution by the market, while the latter is the essence of the market economy. Among those people who believe the

latter viewpoint, some hold that there may be a socialist commodity economy, while some hold a negative viewpoint in this respect. Therefore, it is a prerequisite of our discussion that a definition of the market economy be made.

A feature of language is that at the start one is free to name a term representing a certain phenomenon. But when such a term becomes popular, it is impossible to use the same term to name another phenomenon that is totally different just because it has been accepted through common practice. Market economy is a term that has been very popular for generations. Similarly, the definition of this term can only be made by understanding its original interpretation rather than the subjective views of individuals. Proceeding from this viewpoint, the market economy refers to the following pattern of economic activity. It is a kind of economic activity under which the varieties, quantities, production means, and distribution of products depend on the market supply and demand. To say this in economic jargon, the so-called market economy refers to an economy in which the overall situation is spontaneously regulated by the law of value; and the development direction, basic pattern, and a variety of relations of the national economy are formed and changed as a result of continuous economic fluctuations and shocks. No matter how people evaluate the advantages or disadvantages of the market economy, a perfect or pure market economy refers, originally, to the economic movement under the regulation of the "invisible hand" and the condition of "complete competition", as declared by Adam Smith over 200 years ago. Therefore, a basic feature of market economy is that it is not marked by planning. It is an anarchic economy. Having said that it is anarchic, it does not mean that the market economy has no order. Rather, judging from economic activity as a whole, it is regulated spontaneously rather than being regulated deliberately, intentionally, or in an orderly way by people.

It is necessary to emphasize that the market economy and market regulation are different concepts that are interrelated and differential. They are of different levels. While the market economy is a more profound concept indicating the general characteristics of economic activity, market regulation is superficial and refers to a specific means to regulate and control economic activity. It is a means to realize market economy and a process to spontaneously regulate and control production using the law of value. It is also a means to realize planning, under which the state conscientiously uses the law of value to regulate production. Therefore, the socialist economy is essentially not, and it is impossible for it to become, a market economy. But this is not to say that market economy should not be used; it is necessary to use it.

II. Advantages and Disadvantages of Market Economy

As an economic activity, the market economy has existed for several hundred years and has boosted productivity. This is because the fierce market competition

forces every producer to upgrade techniques and raise the economic management level so as to make the individual labor costs of commodities lower than the average social labor cost or, at least, lower than the necessary social working period that decides the value of a commodity, thereby stimulating the improvement of labor productivity. On the other hand, the market economy enables producers to produce goods that are necessary to the market through the relationship between supply and demand to influence prices and profits. This thus provides us with a criterion for evaluating various investment decisions and the distribution of resources and boosts the economic results of such distribution to the best possible level. It is just because of this that the market economic system has many followers and is recommended as the direction and pattern of the socialist economic reform.

Nevertheless, while confirming the advantages of the market economy, one must not ignore the fact that these advantages are subject to certain conditions, and it also has its weak points. Its function is limited when promoting productivity, and it realizes economic development at a price of regularly destroying productive forces.

The conditions for giving play to the positive roles of the market economy are: First, there is full-scale competition, that is, one without any natural or artificial monopolization, in which factors of production can be circulated freely, capital can flow into any sector, and prices can rise or fall to the extent determined by the relations of supply and demand. However, such cases of full-scale free competition are rare in history, and there are none in reality. Therefore, even the noted Western economist Samuelson acknowledged that although Adam Smith's principle about the "invisible hand" was a valuable perception, after giving it some thought, and with our experiences over the past two centuries, we will come to understand the limitations of this doctrine in reality. ("Economics" Vol. 1 p 62) Second, the development of production is generally limited by demand, with the capability of payment rather than resources. In other words, it is applicable to the "buyer's market". To a developing socialist country like China, in which the original economy and culture are relatively backward and the population is 1.1 billion, the economic shortage, which will last for quite a long time, cannot help but undermine the efficiency of the "invisible hand". When competition emerges among consumers rather than producers, the stimulation of competition on production cannot but be subject to large-scale limitations. Third, the market is relatively mature and complete; it is easy to have access to it by transport and telecommunications; the circulation and financial institutions are relatively well-organized and it is easy to have access to information. Obviously, one cannot rapidly realize the transformation of the system just by simply depending on these material and technological conditions. It depends on the accumulation of productive forces and a gradual development of the economy. Fourth, the subject matter of economic activities is subject to the constraints of a rigid

capital budget. An enterprise reacts sensitively to changes in various market parameters because whether or not it makes a profit determines its existence and development. We think that it may be said that through reforms, we may gradually strengthen the capability of enterprises through budgetary constraints, but this also takes a long time. Even though we possess all these conditions, the activities of the market economy are mainly applicable to the short-term distribution of resources and individual balance of commodities. Because of its inherent shortcomings, the market economy becomes ineffective when the aggregate amount of the economy strikes a balance and the long-term distribution of resources is rational. This is not denied by almost any of the Western economists in their works.

The inherent shortcomings of the market economy mainly are: First, the pricing signal is formed only after a commodity is put onto the market. Therefore, it takes place only after the event. Second, what the pricing signal reflects is only the tendency of changes in the relations of supply and demand, that is, the supply of a particular type or class of commodity exceeds its demand or vice versa. But this fails to indicate the precise quantity for making up the balance and, because of its lack of precision, fails to indicate the resulting changes in the behavior of production and consumption. Third, what the market signal reflects is only the status of supply and demand at a particular time, so it is impossible for us to make a long-term economic decision. Fourth, the market signal may be distorted because of a variety of economic and non-economic reasons, which is particularly true when monopolization exists. Fifth, there is only the demand with the capability of payment in the relations of supply and demand, which constrains the market price. This does not represent the real demand. Samuells also acknowledged that under the pricing system, rich people's dogs can have access to the milk that is necessary for the children of the poor in order to avoid suffering from osteomalacia. These shortcomings of the market economy make it impossible to adapt itself to the needs of the long-term economic development of the whole society, or to voluntarily integrate in the best way long-term interests with immediate ones, or general interests with partial ones. Therefore, the practice of market economy will inevitably bring about practices of unchecked and blind actions in economic development, so that there will be economic shocks and a waste and destruction of social labor. The addiction to the market economy, as well as the thinking that it is invincible and that all problems will be solved so long as we practice market economy, is a violation of the practice of market economy and is theoretically incorrect.

III. Integration of Planned Economy with Market Regulation Is the Correct Choice

A socialist economy is a planned commodity economy on the basis of public ownership. Such an economy shares general characteristics with different types of

economy, including private commodity economy, and has its special individuality. Such individuality is reflected in the relationship between interests embodied in the socialist commodity economy and does not put the individual interests of commodity producers in the first place as the private commodity economy does. It reflects the general or common interests of a society in which the production means belong to all workers, on the basis of which various partial interests realize and develop. Therefore, the pursuance of special economic interests by commodity producers is no longer, and becomes impossible to be, the foremost criterion for running their production and business activities. Properties owned by the public are no longer reserved for the pursuance of partial interests but are used only to realize one's partial interests, under the prerequisite of realizing and developing the interests of the whole society.

The special interest relationship of a socialist economy determines that the socialist commodity economy may and must conscientiously regulate and control the market in a planned way to ensure that the outcome of the operation of the market mechanism is in line with the objective expected by the society and boosts the national economy in a planned and proportional way. Unlike the capitalist market, the market is not simply a spontaneous opposing force representing producers on the opposite side, or violating the wishes of producers, and the overall economic activity is not spontaneously regulated by the law of value. Rather, the regulation is developed and organized on principle in accordance with the perspective and the wishes of society. This is just the characteristic that distinguishes the socialist commodity economy from the capitalist market economy, as well as a manifestation of the superiority of the socialist system. Theoretically or practically, to weaken or even negate the planned economy, or to define the direction and objective of reforms as the practice of market economy, is not a progressive move. Furthermore, such a move goes against the unique essence of the socialist commodity economy.

Of course, as a planned commodity economy, a socialist economy must respect the law of commodity economy and pay attention to bringing into play the function of market regulation. It is necessary to reform the excessively centralized and rigid planned economy and acts of neglecting the functions of commodity production, the law of value, and the functions of market. The direction of reforms should be geared to the needs of the socialist commodity economic development. For this reason, we should set up an operational mechanism to combine planned economy with market regulation to suit China's concrete conditions. The extent, pattern, and scope of such a combination is flexible and must be subject to regular regulation and improvement in accordance with the actual conditions. For example, at present, as we are rectifying and consolidating the national economy, we should place more emphasis on the functions of planned guidance; and we may have another way of regulation under different economic environment. Only if we combine the planned economy with market regulation can

we spontaneously use the law of value provided by the socialist commodity economy throughout society; turn the possibility of continuous, steady and coordinated development of the national economy into reality; and smash the trammels of the planned and market economies, so as to make use of their respective advantages to promote a rapid development in the socialist economy. It is an unprecedentedly great task to create a new operation mechanism that suits China's concrete conditions, combines the planned economy with market regulation, and is geared to the needs of the socialist commodity economic development. People who wish to promote China's economic reform and economic development so as to invigorate the Chinese nation and achieve the four modernizations should join together and strive to gradually solve this issue with their concerted efforts.

Luo Gan Reports on Enterprise Screening

*OW0802192390 Beijing XINHUA in English
1548 GMT 8 Feb 90*

[Text] Beijing, February 8 (XINHUA)—By the end of January this year, China had disbanded or merged 60,865 companies, representing 20.4 percent of the total before company screening started a year ago, according to Luo Gan, secretary general of the State Council, the country's highest governing body.

Most of the companies that have been closed or merged were run by departments of party organizations and governments at different levels, he said. They were redundant distribution companies, breaking the law and incurring public anger.

Luo Gan, who is also deputy head of the leading group responsible for the country's company screening, was reporting to deputies to the National People's Congress (NPC) who are now on an inspection tour of Beijing.

He said the leading group has tackled eight major tasks since it was set up a year ago. They are: setting up and improving organization at all levels and strengthening the guidance over the screening operation; implementing the screening decision of the Communist Party Central Committee and the State Council; investigating various companies; setting guidelines for disbanding and merging companies and ensuring that they are observed; investigating illegalities; arranging the handling of the aftermath when companies have been disbanded or merged; and organizing inspection groups to supervise, check and guide the screening.

He said various localities and departments praised the inspections of the NPC deputies, members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), and members of various democratic parties. Their help promoted company screening, he added.

However, Luo Gan said, generally speaking, company screening remains far from the requirements of the party

Central Committee and the State Council and the expectations of the people. "Much hard work has yet to be done," he said.

Luo Gan said that in the next stage, the main tasks of screening will include strengthening leadership, strictly implementing disbandment and merger plans; continuously investigating and handling illegalities; improving the laws of company management and continuously inviting NPC deputies, CPPCC members and members of democratic parties to take part in the screening.

Plans To Revamp Existing Enterprises Announced

*HK0902011890 Beijing CHINA DAILY in English
9 Feb 90 p 1*

[By staff reporter Li Hong]

[Text] China is set to upgrade its industrial strength to a new level at the turn of this century by a major revamping of existing enterprises, a leading official said in Beijing yesterday.

While the present austerity programme will continue for at least two years, the government has decided to invest more than 400 billion yuan (\$84 billion) in technological renovation of industries in the country during 1991-1995 period, and another 10 billion yuan (\$2.1 billion) in new research and development of new products.

And the country's use of foreign currency will be closely watched so as to retain a sum of money for the importing of technology.

But the heavy investment, already written into the preliminary version of the country's Eighth Five-Year Plan (1991-1995) to be mapped out this year, is anticipated to nurture "a considerable group of key enterprises, goods that are more attractive to world markets, of top quality and attractively priced, and a new advanced batch of key technology" for China by 1995.

"We hope in this way that some of our outstanding enterprises will elbow into the list of world advanced enterprises by the year 2000 and show a way for the development of the country's medium and small enterprises and rural industry," deputy director of the State Planning Commission Sheng Shuren told the sixth national work conference on technology advance yesterday.

More than three hundred provincial, municipal and regional economic and planning heads, directors of the country's outstanding big enterprises and representatives of various government ministries attended the meeting.

Since China's industry remains "rough and slipshod," its growth still relies on high investment, high consumption of energy and materials, and high development speed, Sheng said.

"The expansion of production scale in China cannot bolster its outrageous consumption and waste of materials resulting from its backward technology, so technological importation and self-reliant renovation remains indispensable," he said.

According to Sheng, China's enterprises will have to aim for three goals by the end of the 1990s: to conserve energy and cut consumption; to promote the variety and quality of products, and to increase exports and decrease imports.

After technological transformation over the next five years, workers' productivity will have to increase by 30 percent while consumption of materials will have to drop 20 percent.

And the machinery and electronics industry, light and textile industry, China's two biggest foreign currency earners, are required to make a further \$15 billion and save another \$15 billion for the country by 1995.

Sheng said the development of electronic technology will play a strategic role in China's overall economy since "its development standard and its penetration into other industrial trades reflect a country's technological advance and modernization level."

He suggested that the country's big enterprises promote the quality of products and cut consumption by installing automated equipment. Also more enterprises should become computerized.

Speaking on ways to update China's technological level, Vice-Chairman of the CPC's Central Councilor's Committee Bo Yibo said at the meeting that the country should rely on itself aside from imports as money cannot buy some "core" technology like big-scale integrated circuits in the current world market.

"China's aero-space high-tech has shown our ability to the world," he said.

Foreign Exchange Agreements Benefit Agriculture

OW0802141490 Beijing XINHUA in English
1132 GMT 8 Feb 90

[Text] Beijing, February 8 (XINHUA)—China has established agricultural exchange relations with 80 countries and regions, and signed agreements for co-operation with 19 countries in the past 10 years, which has helped the country to feed its large population.

According to the Ministry of Agriculture, China introduced the technology of using polyvinyl plastic sheeting to raise crops from Japan only in 1979. The sheeting covered a total area of 2.2 million ha two years later, pushing the output of grain and other crops by 30 to 50 percent. And the economic returns involved amount to six billion yuan now.

China used to know little about virology, a science which made great strides in other countries in the 1970s. But in the past few years many scholars have been invited to China to introduce the research trends in this field; a group of research labs have been set up with the help of these experts.

According to Wang Youtian, an official at the Ministry of Agriculture, China successfully discovered a wheat virus through joint research with an expert from the University of Minnesota in the United States.

With donations from the Food and Agriculture Organization (FAO) and the U.N. Development Program (UNDP), China has established remote sensing training centers in Beijing, Nanjing, Chengdu and Harbin, which have helped improve the efficiency and accuracy of resource investigation and monitoring, and soil erosion control.

A program for making better use of land resources in the Loess Plateau pushed grain output from 1,075 kg per ha to 2,517 kg and raised the annual income for the average farmer from 169 yuan to 386 yuan, Wang said.

Wang said China has introduced 65,000 seeds covering a wide variety and provided foreign countries with 15,000 seeds since 1980. According to the Chinese Academy of Agriculture Sciences, the country has picked up over 10,000 genetic resources from various types of introduced crops, of which 100 are being used in production.

In 1986, Wang said, the Ministry of Agriculture set up a special prize to honor foreign agroscientists who have made outstanding contributions to China's agricultural development. A total of 15 foreign scientists have received the prizes already.

Meanwhile, China's advanced agrotechnology has been introduced to foreign countries in the past few years. The technology of growing hybrid rice, for example, was sold to two U.S. companies, and prize pigs have been exported to France, Britain, Japan and Korea. Also, marsh gas technology has been introduced to a dozen Third World countries, the official said.

East Region**Zhejiang Party Committee Holds Plenary Meeting**

*OW0702230490 Hangzhou ZHEJIANG RIBAO
in Chinese 3 Dec 89 pp 1, 3*

[Text] The Eighth Zhejiang Provincial CPC Committee held its Fourth Enlarged Plenary Meeting from 27 November to 1 December. The CPC Committee intensively studied and planned to implement the guidelines set at the Fifth Plenary Session of the 13th CPC Central Committee. In a serious manner, the participants read the documents of that session and the Central Work Conference and held discussions in light of the actual situation in the province. They unanimously expressed support for the speeches of Comrades Jiang Zemin and Li Peng, the "Decision of the CPC Central Committee on Further Improving the Economic Environment, Rectifying the Economic Order, and Deepening the Reform," and the decision on personnel adjustments adopted by the party Central Committee. After studies and discussions, the participating comrades further enhanced their understanding of the significance of improving the economic environment, rectifying the economic order, and deepening the reform. They also achieved unity in thinking and became clearly aware of their objectives and tasks.

They were determined to rally closely around the party's central leading collective with Comrade Jiang Zemin as the core; to unwaveringly carry out the principle of improving the economic environment, rectifying the economic order, and deepening the reform; and to unite and rely on the masses throughout the province to struggle hard with one heart and one mind, overcome all hardships on the road ahead, and tide over the difficult period. This will enable them to win new victories in the drive to improve and rectify the economy and deepen the reform in our province.

Li Zemin, secretary of the provincial party committee, presided over the meeting. Deputy Secretary Shen Zulun, who is also the governor of the province, and Deputy Secretaries Ge Hongsheng and Liu Feng were among those attending the meeting.

Participants in the meeting included members and alternate members of the provincial party committee; members of the provincial Advisory Commission; members of the provincial Discipline Inspection Commission; principal responsible persons from various cities, prefectures, and counties; principal responsible persons from provincial departments, commissions, offices, and bureaus as well as factories and mines directly under the provincial government; secretaries of party committees of higher educational institutions; and chairmen and vice chairmen of the provincial People's Congress Standing Committee and the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] who are party members.

Tie Ying, member of the CPC Central Advisory Commission, and some old veteran comrades also attended the meeting.

The participants studied the "Decision Endorsing Comrade Deng Xiaoping's Resignation From the Chairmanship of the CPC Central Military Commission" adopted at the fifth plenary session and Comrade Deng Xiaoping's letter of resignation. They said that with foresight and consideration of the fundamental interests of the party and state, Comrade Deng Xiaoping resigned from his current post while he was still in good health. Thus he realized his longstanding wish to completely retire from leading posts, showing the broad-mindedness of a great proletarian revolutionary. They paid high respects to Comrade Deng Xiaoping for setting an example by his own action in abolishing the life-long tenure of leading posts. They unanimously supported the assessment made by the fifth plenary session attaching high value to Comrade Deng Xiaoping's revolutionary career and outstanding services over the past decades. The consensus was: The ideological, political, and organizational lines formulated by Comrade Deng Xiaoping and the party Central Committee since the Third Plenary Session of the 11th CPC Central Committee are Marxist lines in conformity with China's national conditions. We must continue to implement these lines with perseverance. The series of viewpoints and theories advanced by Comrade Deng Xiaoping and based on the principle of integrating Marxism-Leninism with China's reality are valuable wealths of our party and people. We must earnestly study Comrade Deng Xiaoping's works and see to it that these works always play a vital role in our socialist modernization program in the future.

This enlarged plenary meeting emphasized discussion and study of the current economic questions in accordance with the guidelines of the Central Work Conference and the Fifth Plenary Session of the 13th CPC Central Committee. The comrades attending the meeting said: The decision made at the fifth plenary session on improving the economic environment, rectifying the economic order, and deepening the reform has fully affirmed the line, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee as well as China's great achievements i.e., economic construction, in reform and opening, and in all other undertakings. It has also correctly summed up the experience in economic work over the past years; assessed and analyzed the existing problems, difficulties, and favorable conditions by seeking truth from facts; and set forth the guiding principles, tasks, and basic measures for further improving the economic environment, rectifying the economic order, and deepening the reform. It is of utmost importance to the sustained, stable, and harmonious development of the national economy, and it is a programmatic document on economic work from now on. Party committees and governments at all levels should seriously study and implement the guidelines formulated at the fifth plenary session;

firmly carry out the decision of the party Central Committee; and make further efforts to improve the economic environment, rectify the economic order, and deepen the reform so as to bring about steady and healthy development of the economy in our province.

At the meeting, Comrade Shen Zulun, on behalf of the provincial party committee, made arrangements for studying and implementing the party Central Committee's decision on improving the economic environment, rectifying the economic order, and deepening the reform. He stressed the need to face difficulties squarely, reinforce confidence, and unify people's understanding of the work of improving the economic environment, rectifying the economic order, and deepening the reform. To further enhance people's consciousness and firmness to do this work, he said, it is imperative to raise the level of understanding and to achieve unity in thinking in the following ways:

1. Understand the urgency of further improving the economic environment, rectifying the economic order, and deepening the reform from the viewpoint of maintaining the stability of our country, which is a matter of the highest interest. Politics form the prerequisite and the economy forms the foundation of a country's stability. While continuing our efforts to maintain stability and unity, we should lose no time in focusing our attention on the stable development of the economy and on improving the economic environment, rectifying the economic order, and deepening the reform.

2. Fully understand the seriousness of the present economic difficulties and the reason for these difficulties so as to raise our consciousness about improving the economic environment, rectifying the economic order, and deepening the reform. The prominent economic difficulties before us at present are serious inflation, an imbalance between total supply and total demand, an irrational economic structure, and economic disorder. These difficulties reflect the intensive problems accumulated after many years. The reason for these difficulties is the fact that for many years our total demand has outstripped our total supply, and there has been a problem of excessive distribution of the national income. As far as the economy of our province is concerned, the problems of total demand surpassing total supply and of irrational economic structure are also serious. To solve these problems, the only way is to resolutely improve the economic environment and rectify the economic order. This is the only way for us to move out of the predicament. There is no alternative.

3. Acquire experience, draw lessons, and overcome the idea of seeking quick results. The fifth plenary session emphatically pointed out that whether during the period of economic improvement and rectification or the period after it, it is essential to always uphold the long-term policy of sustained, stable, and harmonious economic development. This is based on a scientific summation of the experiences and lessons gained in China's economic construction during the past four

decades and is entirely in line with the actual situation. In developing our province's economy, we have had profound experiences and lessons. For many years, we have had the problem of eagerness for quick results in guiding the economic development of our province. Especially when our economy is developing relatively smoothly, we are apt to ignore the actual situation in our province and go beyond what is permitted by objective reality. With regard to economic construction and the task of reform and opening to the outside world, we think of the favorable aspects rather than the difficulties involved. We give more consideration to our needs than to the feasibility of the measures. We have not given priority to the stabilization of the economy. As a result, several big ups and downs have appeared. After reviewing the lessons learned over the past years, we must overcome the idea of eagerness for quick results and attach importance to proportional and harmonious development. It is imperative to always uphold the long-term policy of sustained, stable, and harmonious development of the economy.

4. Adequately assess the arduous and complicated nature of the task of improving the economic environment and rectifying the economic order. The problems to be solved through the improvement of the economic environment and rectifying of the economic order, such as an imbalance between total supply and demand, an irrational economic structure, and inflation, are all difficult problems. We cannot expect that all these problems will be solved within a short time. In the latter half of this year, new problems and difficulties have appeared, such as a slack market and a big drop in industrial production. These problems and difficulties may persist for some time, and some of them may continue to develop. We should be mentally prepared for this. In no way should we shake our determination to implement the principle of improving the economic environment and rectifying the economic order. Nor should we fail to carry out the tightening policy just because of the big difficulties involved. What we must do is to carefully study the new circumstances and problems, and pay great attention to giving our comrades necessary guidance and making timely adjustments of our measures. While seeing the difficulties, we should fully realize our favorable material, political, ideological, and organizational conditions. We must take into full account the difficulties and problems facing us and never lose our spirit. We must not be frightened by the difficulties. We should face them squarely, work with invigorated spirit, and implement even more firmly the policy of improving the economic environment, rectifying the economic order, and deepening reform. If we can firmly implement this policy, we will definitely be able to overcome the present economic difficulties and regain a strong position in developing Zhejiang's economy.

5. Cultivate an attitude of living frugally and be determined to work hard. To overcome the difficulties, we must first of all live a frugal life and work hard. The most important step in overcoming the difficulties is for the

whole nation to live frugally and to work hard in a down-to-earth manner to increase production, practice economy, raise revenue, reduce spending, and improve economic efficiency.

In considering the country's demands and in proceeding from Zhejiang's reality, Shen Zhulun stated the tasks to be done in various fields for the purpose of improving the economic environment and rectifying the economic order: 1) Resolutely control the total demand of society. This is still the paramount task in further improving the economic environment and rectifying the economic order. It is necessary to continue reducing investment in fixed assets, take further steps to control the increase in consumption demands, and gradually ease the contradictions resulting from unfair distribution in society. It is necessary to implement an austerity policy in finance and to take strong measures to open new revenue sources and to reduce expenditures. It is necessary to strictly control credit and loans, make great efforts to improve the supply of funds, strengthen control of interest rates, and overcome the chaotic conditions in banking. 2) Mobilize the whole party to concentrate on developing agriculture, and strive to realize self-sufficiency in Zhejiang's grain supply. It is necessary to implement the provisions requiring top political and government leaders at all levels to personally attend to agriculture. It is necessary to vigorously increase state investment in agriculture. The peasants are the main source of agricultural investment. Therefore, besides providing industrial, material, and technical support, we must rely mainly on the peasants themselves to improve the conditions of agricultural production. It is necessary to further develop the land resources. It is necessary to rely on science and technology to improve economic efficiency and revitalize agriculture. It is necessary to relentlessly implement the basic national policy on protecting cultivated land and on family planning. It is necessary to deepen rural reform. It is necessary to stabilize and constantly improve the contracted responsibility system based on the household, with remuneration linked to output. 3) Restructure the industry, vigorously increase production and reduce expenditures, and work hard to raise economic efficiency. To raise economic efficiency in industry, it is necessary to readjust the industrial structure, promote scientific and technological progress, and strengthen management. It is necessary to fully mobilize the masses and deepen the "double increase and double economy" campaign on a long-term basis. Readjusting product mix, promoting scientific and technological progress, and strengthening scientific management should be made part of the "double increase and double economy" campaign. It is necessary to expand the market and promote sales while improving work within the enterprise. 4) Rectify order in the circulation sector, strengthen education on market management, and pay close attention to maintaining market stability. In the course of improving the economic environment and rectifying the economic order, it is necessary to eliminate chaos in the circulation sector and to pay attention to market management to build a sound

market. It is necessary to make adequate arrangements in market supply and to strengthen market and price management. 5) Uphold the policy of opening to the outside world and maintain sustained growth in exports. It is necessary to maintain sustained growth in foreign trade on the basis of improved economic efficiency. It is necessary to strengthen import management and to actively and steadily use foreign capital. 6) Stabilize and perfect existing reform measures and strengthen macroeconomic regulation and control. It is necessary to correctly understand and handle the relationship between improving the economic environment and rectifying the economic order on the one hand and deepening reform on the other. It is particularly necessary to realize that improving the economic environment and rectifying the economic order do not imply putting brakes on reform, still less abandoning it. The main emphasis of our reform today is to consolidate and expand the fruits of reform already achieved and to create conditions for the deepening and healthy development of reform. This emphasis is necessary also because of the need to improve the economic environment and rectify the economic order. It is particularly necessary to stabilize and perfect the system of contracted responsibility in enterprise operations. It is necessary to strengthen macroeconomic regulation and control and to perfect regulatory and control measures. While employing economic and administrative measures in this regard, we must also pay attention to the legal means to meet the requirement of having more planning in the period of economic restructuring.

Shen Zulun pointed out: In the course of improving the economic environment and rectifying the economic order, we should always implement the guiding principle of ensuring stability. We should firmly strive to attain the objectives of improving the economic environment and rectifying the economic order. At the same time, we should seriously cope with existing difficulties. In improving the economic environment and rectifying the economic order, we must not be overanxious for quick results. To deal with such difficulties as a bearish market and a plummeting industrial output, we should support the commerce (trade) to promote industrial production. Commercial, foreign trade, banking, and financial and taxation departments and industrial workers themselves should be mobilized to support and help industry, place the interests of the whole above all, and work as one to tide over the difficulties.

Shen Zulun put great emphasis on strengthening party leadership over the task of improving the economic environment, rectifying the economic order, and deepening the reform. He said: The task of improving the economic environment, rectifying the economic order, and deepening the reform is arduous and complex. We must surely strengthen party leadership over it and give full play to our political superiority. This is the way to fundamentally ensure success in the task of improving the economic environment, rectifying the economic order, and deepening the reform. 1) Party committees

and governments at all levels should concentrate their energies on the task of improving the economic environment, rectifying the economic order, and deepening the reform. They should seriously study and profoundly understand the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee, identify their thinking with the central "decision," and truly shift the stress of the economic work onto the task of improving the economic environment, rectifying the economic order, and deepening the reform from now on. 2) We should enhance centralism and a sense of organization and discipline, and oppose decentralism. In order to accomplish the task of improving the economic environment and rectifying the economic order, the whole party must not only reach a common understanding, but also coordinate actions. The task of improving the economic environment and rectifying the economic order has many difficulties, and will inevitably cause redistribution of interests. For this reason, we must properly handle the relationship between the part and the whole, between enterprises and the state, and between local authorities and central authorities. We should take the interests of the whole into account. The part should be subordinate to the whole, and local authorities should be subordinate to the central authorities. Leading cadres at all levels and all the cadres with party membership should take the lead in adopting an overall point of view. In firmly implementing the central policies and measures for improving the economic environment and rectifying the economic order, they should obey orders and prohibitions, and resolutely oppose decentralism and departmentalism. 3) We should make great efforts to improve the ideological and political work and rely on the vast number of cadres and people to overcome difficulties. All localities and departments should publicize the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee among the cadres and people step by step in a planned way, and organize them to study the guidelines. The broad masses of the cadres and the people should be clearly told about current economic difficulties and problems, their causes, our favorable conditions for overcoming the difficulties, the measures and actions being taken by the party and the government, and the results of the measures and actions, so that the cadres and the people will work hard with more confidence to overcome the difficulties. 4) It is necessary to promote ethical integrity and to improve the party style. Leading cadres at all levels and all the cadres with party membership should keep firmly in mind the purpose of serving the people wholeheartedly. They should be the first to endure hardship and the last to enjoy benefits. They should take the lead in living an austere life and working hard to bring along other cadres and the people in the province. Thus they will do a good job in improving the economic environment, rectifying the economic order, and deepening the reform and bringing about steady and coordinated economic development in Fujian Province.

Southwest Region

Wang Chaowen Addresses Guizhou Grass-Roots Work

HK0902041990 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 7 Feb 90

[Excerpts] Governor Wang Chaowen last night chaired a meeting of leading members of the provincial government. The meeting made arrangements for organizing cadres of provincial government organs to go down to the grass-roots units for the present and engage in industrial and agricultural production.

Wang Chaowen pointed out: The provincial party committee and government have aroused their cadres to go down to the grass-roots units. Leading comrades of all departments and bureaus as functionaries of all institutions should go into action at once and go down to factories, the rural areas, and the grass-roots units to find out about the situation and help the grass-roots units over some difficulties, in response to the call of the party Central Committee and the provincial party committee and government. All departments and bureaus should assign their functionaries to different basic units under them, apart from the 12 poor counties arranged by the provincial government, as an effort to train their functionaries, sum up experience in work of their systems and trades, and further improve their work.

In speaking of the present industrial production, Governor Wang Chaowen said that the province's industrial situation in January was fairly good and that the industrial total output value increased a bit over the same month of last year, but that the supply of funds and energy is still short, which hinders the industrial development of our province. For this reason, leaders of industrial departments should even more go deep into the realities of life and conduct investigation and study to help mines and enterprises make proper arrangements for their production. Moreover, they should rely firmly on the working class to overcome difficulties and strive for a steady rise in industrial production every month. [passage omitted] He also said that all organs directly under the provincial authorities should take the support of agriculture as their key task and provide as many services as possible to create favorable conditions for a bumper harvest this year.

Hubei Leader Guan Guangfu Addresses CYL Work

HK0902033690 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 7 Jan 90

[Excerpts] Provincial party committee Secretary Guan Guangfu held a discussion meeting on the morning of 6 January with more than 200 representatives attending the Third Enlarged Plenary Session of the Eighth Hubei Provincial Communist Youth League [CYL] Committee. The meeting took place at the Donghu Guesthouse in Wuchang.

CYL cadres from different parts of the province reported to provincial party committee leaders on their work in the past year, gave an account of difficulties and problems they are facing, and talked freely about their plans and determination to stride into the 1990's.

After listening attentively to what the CYL cadres had said, Comrade Guan Guangfu said: As far as the world is concerned, the 1990's will be a decade of inheriting the past and ushering in the future. How our party and country, including our youth, will stride into the 1990's will be of decisive significance and influence for the future of our motherland, and the decisive battle between the two systems in the world. Therefore, today I invited all of you to this meeting to discuss the problem. I hope that CYL organizations at all levels will, under the leadership of the party and the system of socialism, persistently emancipate their minds, bring their superiority into full play, and give scope to the strong points of youth, which are daring to think, daring to speak, and daring to act. We should be not only good at taking over from the past but also good at setting a new course for the future, and we should stride into the 1990's with confidence.

When affirming the work done by CYL organizations throughout the province, Comrade Guan Guangfu pointed out: In the past year CYL organizations across the province did much work, and in particular they were as firm as a rock during the period of stopping the riots and quelling the counterrevolutionary rebellion. They went through the rigorous trial of the struggle. Facts show that CYL organizations at different levels have proved themselves to be aides and reserves of our party. Comrade Guan Guangfu talked with deep feeling and said that CYL organizations should adhere to the political orientation of the youth movement, carry on the glorious traditions of the youth movement and do their work well in the 1990's—especially in the first year of the 1990's. The orientation of the youth movement is always the lifeblood of the youth movement, and, therefore, we should always march forward along the course charted by the party. He emphasized: To carry forward the glorious traditions of the CYL, CYL organizations should be guided by Marxism-Leninism-Mao Zedong Thought and continue to arm and imbue the youth with Marxism. Thus the youth will be able to study, analyze, and judge problems with a scientific world outlook and methodology to guide their actions. Our youth should follow the road of integrating with the workers and peasants and absorb nutrients from them to accumulate knowledge, enhance their abilities, and understand thoughts and feelings of the workers and peasants so as to serve the people heart and soul. At the same time, they should convey knowledge and technology to the workers and peasants and bring out the best in each other. [passage omitted]

Comrade Guan Guangfu emphatically pointed out: While carrying out its work closely around the central tasks of the party, CYL organizations should give scope to their own distinguishing features and promote their

activities independently. At present the central task of the party is to stabilize the political situation, society, and the economy. You must do a good job of the central task but at the same time you must persist in the double-hundred policy, dredge the democratic channel, and speak your own opinion so as to do well the work of keeping the people, the youth, and society stable. At the same time, attention must be paid to the work of building spiritual civilization, which serves economic work. [passage omitted]

Sichuan Supervisory Departments Hold Meeting

HK0702083190 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 5 Feb 90

[Text] The first session of the year of the joint meeting of supervisory departments at provincial level was held yesterday. The session stressed the necessity of strengthening coordination and cooperation to develop a unified force; of adopting effective measures to firmly grasp the work of investigating and handling various cases of violating law and discipline; and of severely punishing those who are guilty of corruption. In the meantime, various supervisory and law enforcement departments must consciously accept the supervision from various quarters.

At yesterday's session, responsible comrades from the provincial Discipline Inspection Commission, Supervisory Bureau, Procuratorate, Industrial and Commercial Bureau, and Auditing Bureau reported their work of investigating and handing cases of violating law and discipline. The provincial Judicial Department, Price Bureau, Tax Bureau, Chengdu Customs and so on also submitted written reports to the session. The session conscientiously analyzed the situation of the work of investigating and handling cases of violating law and discipline in the whole province, and of punishing those who are guilty of corruption. It maintained that in 1989 leaders attached importance to, and the masses showed concern for, the work of punishing those who were guilty of corruption. Various supervisory and law enforcement departments conscientiously enforced discipline and law to seriously investigate and handle a large number of cases of violating law and discipline. Gratifying achievements were made in this regard. Last year, various supervisory departments in the whole province investigated and handled more than 260,000 cases. The session pointed out: Although the province made gratifying achievements last year in the work of handling cases and punishing corruption, what we did is still far from what the party and people have demanded. Economic cases are still in the ascendant. In the new year, various supervisory departments must further enhance their understanding, adopt more effective measures, and firmly grasp the work of investigation and handling cases of violating law and discipline. They must truly strengthen the work of punishing those who are guilty of corruption, further do well in improving party work style, and promote honest and clear administration.

The session pointed out: For supervising law enforcement departments to accept supervision is a very important problem that must be urgently solved. It is also an important link for promoting close relations between the party, the government, and the people. Various supervisory and law enforcement departments must conscientiously study and adopt effective measures to solve this problem. They must increase their consciousness of accepting supervision; and consciously accept the supervision by the party committee, the government, the People's Congress, the Chinese People's Political Consultative Conference [CPPCC], democratic parties, mass media, and the masses. We must establish and improve the working procedure of supervisory, inspection, and law enforcement departments. These departments must strictly observe their working procedure. We must adopt various measures to stop the loophole by which some people abuse their power to handle cases for private gains.

Gu Jinchi, provincial deputy party secretary, presided over yesterday's session, and spoke. Xie Shijie, vice provincial governor, (Yang Congkui), secretary of provincial discipline inspection commission, and responsible comrades from 11 supervisory units at the provincial level also attended the session.

Tibet's Hu Jintao Discusses CPC Leadership

HK0702060590 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 6 Feb 90

[Excerpts] On 3 February, the Standing Committee of the Tibet Regional CPC Committee held a meeting to study the CPC Central Committee's instruction on strengthening the CPC leadership over the work of the trade unions, CYL [Communist Youth League] committees, and women's federations. [passage omitted]

Hu Jintao, secretary of the Tibet Regional CPC Committee, delivered a speech at the meeting.

Comrade Hu Jintao said that the trade unions, CYL committees, and women's federations at all levels in Tibet have made great contributions to and played an important role in the struggle against separatism and in Tibet's economic construction. Especially, last year when the disturbance broke out in Lhasa and the counterrevolutionary rebellion broke out in Beijing, all the organizations of the trade unions, CYL committees, and women's federations in Tibet steadfastly supported the efforts made by the Tibet Regional CPC Committee to put down the disturbance.

Comrade Hu Jintao said that over the past many years, the trade unions, CYL committees, and women's federations at all levels in Tibet have been able to conscientiously implement to the letter the CPC Central Committee's instruction regarding the work of Tibet. They have been able to make unremitting efforts to help strengthen and improve the CPC leadership over their work, further unify ideology and understanding, acquire a correct understanding of both the international and

domestic situation, and carry out their work and overcome difficulties with strengthened confidence and bravery.

Comrade Hu Jintao hoped that in the future, the trade unions, CYL committees, and women's federations at all levels in Tibet will make continued efforts to do all they can to strengthen and improve the CPC leadership over their work. He also hoped that they would continue to support the work of the CPC organizations at all levels, play their due role in Tibet's economic construction, and make greater contribution to the development of Tibet. [passage omitted]

Tibet Procurator Views 1989 Results, 1990 Agenda

HK1501090490 Lhasa Tibet Regional Service
in Mandarin 1430 GMT 12 Jan 90

[Excerpts] On 11 January, Comrade Yang Youcui, chief procurator of the Tibet Regional People's Procuratorate, made a speech entitled "Severely Punish a Handful of Separatists and All Types of Criminals in Accordance with the Law and Carry out In-depth Struggle against Embezzlement and Bribery" at the Tibet Regional Conference on Procuratorial Work.

At the conference, Comrade Yang Youcui also summed up the regional procuratorial work in 1989 and made arrangements for the regional procuratorial work in 1990.

In his speech, Comrade Yang Youcui said that over the past year, the procuratorial organs at all levels in Tibet conscientiously implemented the instructions of the CPC Central Committee and the instructions of the Tibet Regional CPC Committee; adopted a firm and clear-cut stand in waging the struggle against separatism, embezzlement, and bribery; made full use of the law to severely punish a handful of separatists and all types of criminals, including economic criminals involved in embezzlement and bribery cases; gave full play to the supervisory role of the law; carried out procuratorial work on a comprehensive scale; and made due contributions to safeguarding the unification of the motherland, strengthening the nationality solidarity, stabilizing the situation in Tibet, improving the regional economic environment, rectifying the regional economic order, and deepening the reform in Tibet. [passage omitted]

Comrade Yang Youcui disclosed that the year 1989 saw a 29.7-percent increase in the number of major and serious cases relating to separatist activities in Tibet, compared with the previous year.

Comrade Yang Youcui stressed that in 1990, the regional procuratorial work must adhere to the spirit of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee; the spirit of the important speech made by CPC General Secretary Jiang Zemin at the National Conference of Chief Procurators; the spirit of the summary of the discussions held by the members of the Standing Committee of the Political Bureau of the

CPC Central Committee on the work of Tibet; the spirit of China's Supreme People's Procuratorate's Work Plan for the Year 1990; and the spirit of the Eighth Enlarged Plenary Session of the Third Tibet Regional CPC Committee. Regional procuratorial workers must give top priority to furthering the struggle against separatism, embezzlement, and bribery; severely and quickly wipe out a handful of separatists and all types of criminals; resolutely carry forward the struggle against embezzlement and bribery; severely punish economic criminals in accordance with the law; and carry out regional procuratorial work on a more comprehensive scale with a view to further stabilizing the regional situation.

Lhasa Sets Punishments for Offenses in Tibet

*HK0502113890 Lhasa Tibet Regional Service
in Mandarin 1430 GMT 2 Feb 90*

[Excerpts] Recently, Lhasa City's Public Security Bureau has issued specific regulations about meting out punishment to those who disrupt public order.

According to Lhasa City's Public Security Bureau, punishment is divided into the following three types: Warnings, fines, and detention. Fines are limited to between one and 100 yuan and detention is limited to between one and 15 days. [passage omitted]

The power to mete out punishment rests with the chief of a local police station or the chief of a public security sub-bureau. [passage omitted]

North Region

Beijing To Strengthen Financial Sector

*OW0802142490 Beijing XINHUA in English
1149 GMT 8 Feb 90*

[Text] Beijing, February 8 (XINHUA)—Beijing's financial sector will further coordinate the work of its banks in 90 to play a better role in macrocontrol and adjustment of the capital's economy.

This was announced at a recent conference on the city's financial work.

Planning departments of specialized banks are expected to attend a meeting every month to analyze the economic situation, seek the best opportunity to grant loans and exchange credit information.

Other measures to be taken include, a governor responsibility system for providing loans, carrying out credit checks each month, and extending credit in accordance with the country's economic policy and a list of products and enterprises compiled by the municipal government.

This year, the capital's financial sector plans to adjust production and product mix with credit. Six billion yuan in newly-issued loans will mainly be used to support the food, printing, textiles, and raw materials industries.

Credit in foreign currencies will be extended to help commodity exports and efficient joint ventures.

In 1989, bank savings in Beijing increased by 10.1 billion yuan, 8.1 billion yuan more than in the previous year. Foreign currency deposits were 1.14 billion U.S. dollars.

Inner Mongolia Advisory Commission Gives Report

*SK3001115390 Hohhot NEIMENGGU RIBAO
in Chinese 28 Dec 89 pp 1, 3*

[Excerpts] The Advisory Commission of the Inner Mongolia Autonomous Regional CPC Committee submitted a (written) work report to the fifth regional party congress on 24 December. The report states: In the coming 5 years, the regional Advisory Commission should try its best to display its role as a political assistant and advisor in realizing the tasks set by the fifth regional party congress.

The report first of all reviewed the work of the regional Advisory Commission over the past 5 years: It has persistently studied the basic theories of Marxism-Leninism-Mao Zedong Thought; has studied the line, principles, and policies of the party; has profoundly comprehended the strategic disposition of the party Central Committee and the regional party committee; has approached and analyzed questions in line with the Marxist stand, viewpoint, and method; and has maintained a high degree of unanimity with the party Central Committee in politics and ideology. It has deepened the understanding of the theory of the initial stage of socialism and the basic line of "one focus and two basic points." It has enhanced its understanding of the importance and necessity of the work of upholding the four cardinal principles and of opposing bourgeois liberalization. It has done much work in strengthening party building. It has strengthened the study of Marxist theory concerning nationalities and the party's policy towards nationalities, thus being more conscious in comprehensively implementing the policy on the regional national autonomy. It has studied legal knowledge and enhanced the sense of the legal system. [passage omitted]

The report summarizes the practical work of the regional Advisory Commission during the past 5 years as follows:

- 1) The regional Advisory Commission has strictly abided by the stipulations of the Party Constitution, and given vigorous support to the work of the regional party committee. Over the past 5 years, the regional Advisory Commission has much high attention to respecting and safeguarding the leadership and prestige of the regional party committee; has taken the lead in studying and disseminating the various policy decisions, regulations, and major measures adopted by the regional party committee; and has conducted its own work in close connection with the unified disposition of the regional party committee.
- 2) The regional Advisory Commission has strengthened studies, paid attention to conducting investigation and research, closely integrated studies with investigation and research, learned from books and

practice, reached a consensus on objective and subjective topics, and sought truth from facts. 3) The regional Advisory Commission has persisted in the principles of "doing less work rather than more work, doing work concerning principles or ideological guidelines rather than dealing with concrete matters relating to work, and acting according to one's capabilities." What has happened proves that such principle conform with the nature and tasks of the Advisory Commission and with the characteristics of veteran comrades. [passage omitted] 4) The regional Advisory Commission has positively safeguarded the political situation of stability and unity. [passage omitted]

The report sets the following demands on the future work of the regional Advisory Commission: The new term of the regional Advisory Commission should firmly and unwaveringly fulfill the missions entrusted to it by the party Constitution; should continuously and profoundly implement the guidelines of the 13th party congress and of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee; should comprehensively implement the party's basic line and the principles of the economic rectification and in-depth reform when conducting investigations and studies, summarizing the past, thinking of the future, and offering suggestions; and should try its best to exploit its role as political assistant and adviser in attaining the tasks set by the fifth regional party congress.

The new term of the regional Advisory Commission should persist in the purpose of wholeheartedly serving the people; should carry forward the party's three major styles of work; should enhance party spirit; should observe party discipline and abide by the law; should wage a resolute struggle against those corrosive incidences which deviate from the party Constitution, sabotage party style, and violate laws and discipline; and should use the practical actions of its own to affect and spread propaganda among party members and the masses. Thus the party's fine traditions will be carried forward within the party and in society. The committee should have the courage to expose and criticize the unhealthy trends within the party; should vigorously support all levels of party organizations to adopt effective measures to resolutely punish corrupt phenomena; should strengthen the improvement of administrative honesty; should do more good and tangible things for the people; and should maintain the flesh-and-blood ties between the party and the people in order to enhance the party's prestige and authority among the people.

The new term of the regional Advisory Commission should give energetic support and help to the regional party committee; and should vigorously conduct among the vast number of party members and cadres of all nationalities, the young people in particular, the education on upholding the four cardinal principles and on opposing bourgeois liberalization. The regional Advisory Commission should also conduct ideological education on patriotism, collectivism, and socialism; and education on the current situation, self-reliance, arduous

struggle, and other revolutionary traditions in an effort to help them foster a correct political orientation.

The new term of the regional Advisory Commission should try its best to make due contributions to and offer advice for promoting the sustained, stable, and harmonious development of the economy. It should bring the relations among various economic sectors into better balance, in accordance with the party Central Committee's "decision on further improving the economic environment, rectifying the economic order, and deepening the reform," and in line with the regional party committee's strategy for economic development and the short-term fighting goals of "strengthening the foundation, optimizing the structure, improving the efficiency, and effecting a steady economic growth."

The new term of the regional Advisory Commission should conscientiously implement the party's policy towards nationalities, carry out the law on regional national autonomy, and continue to show concern for veteran cadres.

Inner Mongolia Holds Economic Work Conference

SK0102095190 Hohhot NEIMENGGU RIBAO
in Chinese 28 Dec 89 p 1

[Text] Recently, the Inner Mongolia Autonomous Regional People's Government held a regional economic work conference for the purpose of gaining initiative and making a good beginning for the work of next year. The conference defined the tasks of next year's economic work as profoundly implementing the principle of the economic rectification and in-depth reform; and striving to improve economic environment, readjust the economic structure, and improve economic efficiency in order to effect a sustained, stable, and harmonious economic development.

Bu He, chairman of the region; Zhang Cangong, vice chairman of the regional People's Congress Standing Committee; and Zhao Zhihao, vice chairman of the region, attended the conference and made speeches. Chairman Bu He presided over the conference.

Bu He said in his speech: All comrades should have a correct understanding of the current situation. The decade of reform has brought about tremendous achievements, the economic rectification and improvement has been carried out with good results, the current political and economic situations are stable, and the people's minds are at rest. However, many problems have not yet been solved, and the task of the economic rectification and improvement in the future will remain very arduous. Therefore, all comrades should have a full understanding of the problems and make positive efforts to safeguard the political situation of stability and unity. Economic development aims at laying a foundation for political stability, and political stability in turn creates fundamental a condition or prerequisite for economic development. Stability and unity override everything else. In working out economic reform measures, all comrades

should take into account economic efficiency, and social efficiency even more. The macroeconomic control should be combined with the microeconomic management. All comrades should serve as advisers to help plants solve problems one after another; and should wholeheartedly depend on the working class to overcome the problems in the current economic work. Comrades should, on the one hand, depend on the workers; and, on the other hand, they should strengthen the education on Marxism among workers. These two are identical, and ideological work should never be neglected. Bu He stressed that leaders at all levels should change their style of work, help grass-roots units solve problems, and take the lead in leading an austere life for a few years in order to make all the work a success.

Liu Zuohui, vice chairman of the region, arranged for next year's work on behalf of the regional people's government. He said: The economic rectification carried out on the region's industrial, communications, financial, and trading fronts over the past year has been aimed at maintaining the sustained, stable, and harmonious economic development. While carrying out retrenchment and readjustment, the region has maintained its good trend of economic development; and the general economic situation has been better than expected at the beginning of the year. On the basis of improving economic efficiency, the region has maintained an appropriate growth rate in industrial and communications production. After carrying out the economic rectification and improvement in many fields, the partial overheated economic growth and the overly rapid increase in consumption have been brought under control initially. Inflation has been checked effectively; economic order, circulation order in particular, has improved greatly; economic environment has improved further; the effective supply of the society has increased; the contradictions between supply and demand have been alleviated; the markets have been stable; economic efficiency has improved gradually; financial revenues have increased steadily; and, as a result, the economy and the society have been stabilized. However, in the course of affirming achievements, we must not lose sight of the existing problems and difficulties. Such problems are temporary ones emerging in our way of advance. We should not only catch sight of the grim economic situation and the arduousness of the economic rectification, but also catch sight of the favorable conditions for overcoming difficulties. Along with the constant deepening of the economic rectification and in-depth reform, the state will gradually readjust economic structure and adopt special policies to accelerate the development of energy and raw materials industries and communications and transportation industries. The state will provide the region with an even better environment for exploiting the region's advantages in natural resources and for developing the energy and raw materials industries. This year and next year, a total of 590,000-kw generating capacity will be newly put into production in the region. Therefore the supply of electricity for production use will improve further in

most areas. In addition, the stabilization and improvement of the enterprise contract managerial responsibility system will further arouse the initiative of managers and producers; and enterprises will all the more pay attention to tapping internal potential and improving management.

Liu Zuohui stated the major fighting goals and work tasks of the region's industrial production and commercial circulation in 1990. He called on leaders at all levels to actually change the leadership work style, go deep into the forefront of production to harmonize the relations among various fields, and help enterprises solve their difficulties in production and management. Leaders at all levels should give positive support to the work of plant directors (managers), comprehend their difficulties, and listen to their opinions. Leaders should also continuously carry forward the work style of depending on the masses and consulting with the masses when anything crops up; should accurately explain the current difficulties and the ways to solve these difficulties to the masses; should show concern for the livelihood of workers and staff members; and should depend on the strength of the vast number of workers, staff members, and the masses to overcome the currently existing difficulties.

At the conference, pertinent departments and bureaus in charge of industry and commerce under the regional government offered tentative plans and practical measures for next year's economic development; and various leagues and cities also introduced their own plans and exchanged information and viewpoints.

Tianjin Makes Work Arrangements for 1990

*SK0302060590 Tianjin TIANJIN RIBAO
in Chinese 12 Jan 90 pp 1, 3*

[Speech by Zhang Lichang, member of the municipal party Standing Committee and vice mayor of the municipality, at the municipal economic work conference on 11 January]

[Excerpts] After a 4-day session, the municipal economic work conference will conclude today. I would now like to make a short summary of the economic conference.

As for the guiding ideology and major tasks of economic work this year, the fourth plenum of the fifth municipal party committee has been clearly defined. I hope that comrades will earnestly implement the guiding ideology and tasks when conducting their practical work. I would therefore like to advance the following opinions on fulfilling the annual plan this year:

1. We should adopt every possible way and means to concentrate on increasing incomes and curtailing expenses. In fulfilling various economic indexes this year, we are sure that we will face large difficulties. However, there are many favorable conditions for realizing these indexes, and the potential in various fields is very large. Only by heightening their spirit, turning the

pressure into driving forces, and adopting every possible ways and means to discover methods will cadres, staff members, and workers throughout the municipality be able to fulfill the plan and tasks this year. But, attention should be paid to the following work:

- A. Efforts should be made to enhance the work of organizing and managing enterprises to vigorously boost their production. [passage omitted]
- B. Efforts should be made to enhance the basic management of enterprises and to continuously increase economic results. [passage omitted]
- C. Efforts should be made to ensure the fulfillment of tasks of handing over profits to the state and to enhance the work of tax revenues and management. [passage omitted]
- D. Efforts should be made to bring financial subsidies under strict control and to reduce the losses caused by the poor management as much as possible. [passage omitted]
- E. Efforts should be made to vigorously curtail the administrative expenses and to encourage various circles to tighten their belt. [passage omitted]

2. We should actively open more markets both at home and abroad. The issue concerning markets represents a key which has a bearing on the adequate growth of production and on the fulfillment of plans. Without dealing with the problems of markets, it is impossible for us to overcome the current difficulty and to run the economy normally. This is a prominent contradiction in the current economic work and a difficult point in our 1990 work. Units from top to bottom across the municipality and particularly enterprises should enhance their sense of emergency, realistically bring about a change in their business ideology, overcome the difficulties concerning markets, and create a new situation among markets. This represents a severe test for us. In withstanding this test, attention should be paid to the following work:

- A. Efforts should be made to vigorously turn out products which enjoy brisk sales in markets and to enhance the work of conducting business management and of promoting sales. [passage omitted]
- B. Efforts should be made to seize various favorable opportunities to vigorously increase the volume of foreign exchanges earned through exports. [passage omitted]
- C. Enterprises of industry, commerce, and trade should closely coordinate with each other and make concerted efforts in operation and transaction. [passage omitted]

3. We should make all-out efforts to promote the program of making scientific and technological progress. In fulfilling the plan and tasks this year, it is imperative to regard as an important measure the work of making scientific and technological progress. We must seek economic results from the achievements that result from the scientific and technological progress. We should approach the issue from a high level of strategy and unswervingly follow the road of relying on scientific and technological progress. Major tasks in the current period

or in the next few years are to consolidate the structure of industries and products in line with the demand of scientific and technological progress; to actively develop high and new technical industries; to apply the adequately advanced technologies to reforming the traditional industries; to upgrade technical and managerial standards; to extensively organize enterprises and institutes to overcome scientific and technological difficulties; to accelerate the pace in turning scientific and technological results into productive forces; and to vigorously popularize new technology, new crafts, new materials, new products, and the "program" of having science and technology make agriculture flourish. In order to accelerate the pace in fulfilling the aforementioned tasks, we should adopt the following measures:

- A. Efforts should be made to enhance leadership over the scientific and technological work. [passage omitted]
 - B. Efforts should be made to implement or improve the policies on making scientific and technological progress. [passage omitted]
 - C. Efforts should be made to upgrade the effects of utilizing the funds for scientific and technological development. [passage omitted]
 - D. Efforts should be made to establish or improve the system of scientific and technological work. [passage omitted]
 - E. Efforts should be made to organize the force of various social circles to achieve scientific and technological progress. [passage omitted]
4. We should further enhance the macroeconomic management. Judging from the municipal situation, we have much work to do in enhancing the macroeconomic management. Current focal points are as follows: 1) A good job should be done in managing and utilizing various funds. 2) Efforts should be made to ensure the fulfillment of the state mandatory plans. 3) Efforts should be made to enhance the unified management over the construction of projects, including the foreign-funded projects. 4) Efforts should be made to continuously stabilize the commodity prices. 5) Efforts should be made to bring the extremely rapid increase of consumer funds under control. 6) Efforts should be made to bring under strict control the extra employment of labor forces and the "practice" of changing the rural resident registration to an urban one. All of these constitute the major tasks of improving the economic environment and rectifying economic order. Therefore, we must conduct these arduously and painstakingly and achieve effects in them. [passage omitted]

5. We should bring the enthusiasm of the broad masses of staff members, workers, and people into full play. In fulfilling the economic plan this year, we should finally rely on the capabilities of the hands and the wisdom of the broad masses of staff members, workers, and people. This represents a fundamental guarantee for us to overcome the difficulties this year and the attention that we should pay in guiding the 1990 work as a whole. [passage omitted]

Leading cadres at all levels should make themselves examples in work and share weal and woe with staff members, workers, and the masses. The more difficulties they encounter during the year, the more obvious will become the importance of their role in setting examples in work. As for the demands set for the masses, cadres should first set examples in fulfilling the demands. They must not do the things which the masses have frowned upon and which the masses have not been satisfied with. Nor should the cadres do the things that have damaged the image of the party and government and have adversely affected the people's feelings. Cadres should make efforts to encourage the broad masses to have the spirit of doing practical work by doing hard work themselves and by making contributions selflessly. Cadres should set examples in waging an arduous struggle to share the country's burdens, in performing their official duties honestly, and in abiding by discipline. Cadres should win the people's support with practical deeds.

Tianjin Reports Continued Reform Success

OW2801130890 Beijing XINHUA in English
0156 GMT 28 Jan 90

[Text] Tianjin, January 28 (XINHUA)—When a chemical reagent factory in the north China port city of Tianjin found itself overstocked with traditional products and no money to develop new products, the director told the employees about the difficulties.

The 600 or so employees of the Tianjin No. 3 Chemical Reagent Factory pooled their cash and bank savings for the factory.

After handing in his money, a veteran worker said, "as the current contract system has bound us workers and the fate of the factory together, we must do everything to revive the factory."

Surveys made by the municipal commission for economic restructuring show that through the current reform, 72.9 percent of workers believed their position as masters of the state has been improved; 85 percent agreed that the directors and managers have a greater sense of democracy in the decision-making process; 75 percent said the workers' congress now plays a more active role; and a majority of them believed management has been improved and ideological and political work strengthened.

Directors and managers of industrial enterprises also said that current reform policies and measures cannot be suspended while straightening out the economic order.

Cao Dean, general manager of the Bohai Oil Corporation, said the current management system of the offshore petroleum firm has been formed to meet the needs of modern production and international cooperation.

Construction of a platform involves design, manufacturing, material supply, and installation departments. In the past, the process was separated and officials of

different departments had to spend a great deal of time coordinating projects. In recent years, the corporation has adopted a responsibility system under which a project manager supervises the whole process from design to installation. The project manager responsibility system has improved efficiency markedly.

An Yuchen, director of the Tianjin General Electrical Machinery Plant, said that reform, retooling and management improvement went hand in hand in his plant, China's biggest producer of submersible motors and pumps. The reform has enabled the director to appoint and dismiss officials at the plant, expand production through cooperation with other factories, and allowed workers to display great initiative as their wages are linked with the output.

Through reform, retooling and better management, the plant has increased output. It produced 320 submersible motors and pumps in 1987, 500 in 1988 and 800 in 1989.

Han Shaozhong, an official of the municipal commission for economic restructuring, said that in addition to reforms in industrial enterprises, Tianjin has also restructured the management system for urban construction, empowered urban districts to play a greater role in administration and construction, streamlined management of the harbor, integrated the production, supply and marketing of nonstaple foodstuffs, and improved the management system for education and science and technology.

All the major reform policies and measures have been implemented continuously in the city which is China's third largest behind Shanghai and Beijing, he said.

Han said that reform, like economic development, needs adjustment and improvement from time to time.

"It's impossible to put forward new policies every year, develop by leaps and bounds from year to year or raise new ideas every day. When a new policy is adopted, it requires a set of measures to implement," Han said.

Ninety-five percent of industrial enterprises in Tianjin are now carrying out the contract responsibility system. Many directors and managers, whose contracts expire this year, are planning to extend the contracts, sign new contracts or bid for new contracts.

The municipal government, Han said, plans to disseminate a new contract package which links the performance of a factory with the income of all employees rather than with that of the director only.

He also believed that efforts to straighten out the economic order would provide a better economic environment for the development of enterprises as well as favorable conditions for further reform.

Northeast Region

Liaoning To Send Cadres to Grass Roots

SK0602124790 Shenyang Liaoning Provincial Service
in Mandarin 2300 GMT 5 Feb 90

[Text] Beginning in mid-February, provincial leading comrades, including Quan Shuren, secretary of the provincial party committee, and Li Changchun, provincial governor, will lead work groups, investigations, and study groups to go to plants, rural areas, schools and neighborhoods by stages and help the grass roots solve current conspicuous problems. The provincial party committee and government have worked out specific arrangements for cadres of the organs directly under the province to conduct investigations and study at the grass roots level.

The provincial party committee and government held a mobilization meeting on organizing and sending cadres of party and government organs to the grass roots in Shenyang on the afternoon of 5 February. Sun Qi, deputy secretary of the provincial party committee, spoke at the meeting. Organizing and sending cadres to the grass roots constitutes an important measure in further developing the party's fine traditions and forging closer ties between the party and the masses, and between cadres and the masses in the new situation, and are also a requirement in the efforts of party and government organs to continue to overcome bureaucracy, eliminate corrupt phenomena, and serve the people wholeheartedly. Success will play an important role in changing the work styles of these organs and promoting their work. The provincial party committee decided that the first group of cadres will be sent to the grass roots in mid-February. It urged that the first group should consist of approximately one-third of the leading cadres at the departmental and bureau levels and approximately one-fifth of the cadres at and below the section level of the organs directly under the province. It also called for proper arrangements so that both their work at the grass roots and their routine work at the organs are not delayed. The province urged that cadres of the organs directly under the province who are to be sent to the grass roots should earnestly listen to the opinions, suggestions and criticism of the masses, answer the questions they are concerned about and resolve their doubts and difficulties in a realistic manner. They should also publicize the principles and policies of the party and the government, mobilize the masses to safeguard stability and unity, and actively fulfill the various tasks for this year. Discussions should be held with grass-roots cadres and the masses to suggest ways and means to solve the practical problems in their production, work and lives.

Sun Qi, deputy secretary of the provincial party committee, said at the mobilization meeting: The current work to organize and send cadres to the grass roots is not a general directive. The cadres to be sent to the grass roots should not familiarize themselves with the situation and the grass roots in a perfunctory manner, much less should they go to the grass roots just for show. Instead, they should try to truly change their work styles, maintain close ties with the masses, and help the grass roots solve practical problems. Leading cadres of various units should set an example in this work. They should first go to where problems are many and difficulties are great. They should set an example in holding heavy responsibilities, fulfilling tasks, maintaining close ties with the masses, abiding by laws and discipline, and remaining clean and honest in performing duties so as to establish a good image.

Sun Qi said: Comrades sent to the grass roots should truly change their work styles, go deep into the masses and the realities of life, carry out practical work, and work out ways and exert efforts to help the grass roots solve problems instead of just scratching the surface, engaging in formalism, and carrying out work perfunctorily. They should go to the forefront of production to participate in some labor within their capacity, understand the popular feelings, and resolve more difficulties for the masses. They should show concern for the hardships of the masses, give heed to their voice, and promote the close ties between the party and the masses, and between cadres and the masses. They should modestly learn from grass-roots cadres and the masses, and draw nourishment from this. While changing their objective world, they should strive to remodel their subjective world. Through going down to the grass roots, they should reap a bumper harvest comprehensively in ideology, work and study.

Sun Qi concluded: All cadres of the organs to be sent to the grass roots should place strict demands on themselves, and take the initiative in abiding by laws and discipline. When going down to the grass roots, they should overcome the unhealthy habit of going in incessant streams of cars and with many people accompanying them, and should go in simple cars, without people accompanying them, and without welcome, send-off or dinner parties held for them. They should remain modest, and sincerely make friends with workers, peasants, intellectuals, students and local residents. When performing work, they are prohibited from abusing their power for selfish gains, seeking privileges, and engaging in lavish wining and dining. They should remain clean and honest. Those who are discovered to have violated laws and discipline should be strictly investigated and dealt with, no matter who they are.

Responsible comrades of the various departments, committees, offices, sections and bureaus of the organs directly under the province attended the mobilization meeting.

Northwest Region**Li Ligong Discusses Rural Reforms in Shanxi**

*HK0802064390 Taiyuan SHANXI RIBAO in Chinese
18 Dec 89 pp 1,3*

[Report by unnamed staff reporter: "Provincial Party Committee Secretary Li Ligong Points Out That Stabilizing Policies and Deepening Reform Are the Most Important Issues in Rural Areas"]

[Text] At the meeting of department heads on rural work in prefectures, cities, and counties held yesterday afternoon, Li Ligong, secretary of Shanxi Provincial Party Committee, made a long speech entitled "Stick to the Correct Direction; Stabilize the Present Policies; Step Up the Rural Reform of Shanxi Province." He pointed out that stabilizing various policies, reassuring the public sentiment, and continuing to deepen reform are the most important features for the current rural work.

This meeting was convoked by the Shanxi Provincial Party Committee Rural Policy Research Institute. Zhang Changzhen, a provincial party committee standing committee member, and Vice Governor Guo Yuhuan also spoke at the beginning of the meeting held on the 16th [date as published].

At his speech, Comrade Li Ligong first stressed the need to have firm confidence in unwaveringly continuing and deepening rural reform. He said: Since the Third Plenary Session of the 11th CPC Central Committee, party organizations at all levels in our province have seriously implemented the party's line, policies and principles; carried out a series of important reforms, such as the system of contracted responsibilities on the household basis with remuneration linked to output; greatly brought into play the initiative of vast numbers of peasants for production; and sped up the development of productive forces. The great changes and vitality brought about by reform illustrate that the basic policies and direction of rural reform over the past 10 years are correct. Upholding rural reform is the path to the increase of wealth for peasants, to stepping up the modernization of rural areas, and to ushering in a new phase of agricultural development in our province. Recently, however, whether or not the party will change the present rural policies and whether or not rural reform will continue and deepen have become the questions that concern the peasants very much. They have given rise to many discussions, speculations, and worries. Different kinds of doubts and anxiety have also arisen among our cadres who engage in rural work, making them hesitate, and wait and see, in regard to continuing and perfecting the reform. Doubts about reform and the fear of change in policies are the problems that deplete the initiative of cadres and peasants, making it impossible to deepen rural reform. Therefore although there are many things for us to do in rural work, stabilizing various policies and reassuring the public sentiment and continuing to deepen reform are the most important. If we cannot be of

one mind in the matter of properly carrying out this job, we cannot do all other things.

Why do we need to stick to reform and to stabilize various policies? It is simply because the rural reform over the past 10 years is in keeping with the actual situation of our province and with the level of productive forces, and because it is very welcome by vast numbers of peasants. The fact that the peasants are afraid of any change in policies best reflects that our policies are good, so there is no reason for change. And exactly because of this, after the counterrevolutionary rebellion in Beijing was quelled, the CPC Central Committee and the provincial Party Committee have already taken a very clear-cut stand in upholding the policy toward rural reform. It is necessary for cadres in rural areas and vast numbers of peasants to conscientiously study the decisions of the CPC Central Committee and the spirit of the speeches made by leading comrades of the central authorities. It is also necessary to strengthen propaganda and education through various means, so that everyone will know that the party has not changed its basic principles and policies, and that reform will continue and deepen. This will serve as "a tranquilizer" for peasants. In the propaganda, education, and actual work, we should take into account the actual situation of our province and should resolve three problems: First, generally speaking, agriculture in our province is developing well; however, it still has many difficulties. In order to strive for another breakthrough in agriculture and in rural economy, we must uphold reform as the fundamental principle and release the power of various policies. Recently, some cadres have wavered in their confidence in the authority of reform and policies because some difficulties have emerged in rural areas. They think that there has not been any improvement, so that these policies are not indispensable and that this is all the policies can do; therefore they think that they need to find another way. This is very incorrect. We depended on policies for our good agricultural development at the beginning of rural reform, and in these past few years we have also depended on policies and the initiative of peasants for its continued development under favorable conditions. The first of the "three things we will depend on" in times to come is still that we will perfect our policies through reform. Second, the improvement and rectification of the current national economy and the deepening of rural reform go side by side and help each other. While improving and rectifying the overheated economy, we should not lower the temperature of agriculture but raise it. As the improvement and rectification program develops, the external environments of rural reform and agricultural development will gradually improve. This will be very favorable for resolving the many problems that exist in our rural areas today and for better implementing our present policies so as to enable us to deepen rural reform. Third, opposing bourgeois liberalization and upholding rural socialist orientation will definitely not limit or hinder rural reform. After the counterrevolutionary rebellion in Beijing was quelled, we demand that the ideological and

political work be strengthened in rural areas so as to guide peasants to move ahead on the socialist road with firmer strides. This never implies that we will forsake reform. Rather, only through reform can we demonstrate the inherent superiority of socialism. Rural reform over the past 10 years has greatly perfected a number of socialist relations of production. Although bourgeois liberalization ideas have been rampant in recent years, we must not deny that the enormous achievements in rural reform have greatly enhanced the socialist unifying force and attraction to peasants and that these achievements show that socialism has good prospects. Therefore, establishing a new socialist rural society with Chinese characteristics, and upholding and deepening reform, are what we should do; we must not make them stand in opposition to each other.

When discussing the guiding thought and the main duties of deepening the rural reform of our province at the present time, Comrade Li Ligong said: This is how we shall deepen the rural reform of our province for the next year. On the whole, we should follow the spirit of the Fourth and Fifth Plenary Sessions of the 11th CPC Central Committee, and pay attention to the development of rural productive forces, and especially to the development of grain and oil as the central task in agriculture. While maintaining the stability and continuity of policies, we should vigorously substantiate, perfect, and improve rural reform and make every effort to properly carry it out in accordance with the demand of the socialist orientation. Thus we will wrest new bumper harvests, giving reliable guarantees for the successful implementation of the improvement and rectification program across the province. During this process, we

should understand the relationships between stability and perfection and we should handle them properly. Under this guiding thought, the main task of perfecting the rural reform of the province for the next two years is to pay special attention to the following: First, we should improve the family-run operations, stress the function of "centralization," and perfect the new operation system that combines centralization and decentralization. We should perfect the land contracted responsibility system so that we can further increase the productivity of land. Third, we should institute the county agricultural development fund system and the town and village agricultural cooperation development fund system and perfect them. Fourth, we should further improve the socialized service system and bring into play the role of service and organization at county, town and village levels, and particularly at the village level. Taking into consideration the reality, we should make positive explorations into the town and township management system and into the reform in the circulation system.

Finally, Comrade Li Ligong stressed the principles of "grasping with both hands," and of thoroughly strengthening the party's leadership in rural work. To properly develop agriculture is the duty of the government and the party committee. Since agriculture is not an ordinary economic problem but is a strategic and political one that has to do with the overall situation. The separation of party and government should not slacken and weaken the party committee's leadership in agriculture. The Central Committee has urged the whole party to devote itself to agriculture; therefore party committees and governments at all levels should cooperate closely for properly developing agriculture.

Commentary Says Bush Softens China Policy

*OW0602103690 Taipei International Service in English
0200 GMT 5 Feb 90*

[Station commentary: "Mr. Bush's Reward from Peking"]

[Text] U.S. President George Bush defied the American Congress and people by going out on a limb last week to soften his policy toward Communist China. He paid the price by inviting an ongoing barrage of criticism from friends and foes alike. Even the liberal national media have not spared him.

To top things off, darned if Communist China also has got in the act of criticizing Bush. On Friday, Peking issued a strong protest to the United States, condemning congressional passage of a bill that preserves sanctions against Peking. Last week Bush isolated himself on China policy when he played hardball to get the U.S. Senate to uphold his veto of a bill that would have permitted Mainland Chinese students to remain in the United States until the wave of repression dissipates in Communist China. Angered by Bush's tactics to side with Peking and spurred by overwhelming public opinion in their favor, Congressmen retaliated somewhat with the new bill to preserve sanctions against Peking.

The soap opera of U.S. China policy entered a new phase when Peking joined the chorus of those condemning Bush for his lopsided, unpopular policy. Ironically, of course, the benefactor of Bush's largesse is none other than Peking. Bush had made it clear that he was seeking reconciliation with Peking as a means of encouraging Peking to end repression on the Chinese Mainland, and get on the track of political reform. It was a risky move, given the prevailing view that it is Peking, not Washington or the West or Japan, who should make the first move to earn the confidence and goodwill of others.

The bad timing aspect is what has cost Mr. Bush most. Critics argued correctly that it was too early to reward Peking with gestures of goodwill, specially since Peking is hardening, not softening its crackdown on the pro-democracy movement. Further, Bush's argument that it is not wise to isolate Peking in international affairs flies in the face of the prior treatment of the Soviet Union, which despite its importance, has been ostracized for its human rights record.

The line that Peking should be spared such treatment comes from only a handful of men in Washington. They are part of the Nixon-Kissinger clique, which has gone to no end to protect its legacy of having made the opening to Communist China in the early seventies. It is no secret that Mr. Bush has been guided of late by these pro-Peking voices. Now, it is evident that the gamble has backfired on Mr. Bush. Rather than offer up important, substantial concessions on political reform at home, Peking has taken to blasting the United States, the Bush administration included. Peking has also made it clear

that it has no inclination to halt the crackdown on the pro-democracy movement, and certainly no inclination to institute sweeping reform along the lines of East European Communists.

Peking's adamance to hold the Marxist line will further embarrass Mr. Bush. Perhaps it is time President Bush listened to other voices. In this case, he would do well by listening to the loud majority, which correctly bets on the Chinese people, not their fading communist masters.

United States Designates New AIT Director**Paper Views Choice**

*OW2801043490 Taipei TZU LI WAN PAO
in Chinese 21 Jan 90 p 2*

[By reporter Hsieh Pei-chao from Taipei]

[Text] A high-ranking Ministry of Foreign Affairs official said this morning that the United States has designated Thomas S. Brooks, deputy chief of the mission of the U.S. Embassy in the Republic of Korea, as director of the American Institute in Taiwan (AIT), Taipei office. There have been speculations that the nomination of Brooks, who has long been in deputy positions and has not been an ambassador or held any other important positions, indicated that President Bush wanted to downgrade U.S. relations with the ROC. However, the Foreign Ministry official denied these speculations. It was revealed that the Ministry of Foreign Affairs has not replied to the U.S. nomination.

The official, who is an old acquaintance of Brooks, pointed out: Brooks served as deputy director of the AIT Taipei office under Charles Cross. He was in Taiwan even before James Lilley, the second AIT director to serve in Taipei. After leaving Taiwan, Brooks served as U.S. consul general in Shanghai. He is well versed in the affairs of both Taiwan and the mainland.

The official also pointed out: After the departure of David Dean from the post, there have been many twists and turns with regard to the choice of his successor. However, it would be wrong to suggest that President Bush deliberately is trying to downgrade U.S. relations with Taiwan simply because Brooks has not served as ambassador or deputy assistant secretary of state. Besides, it is unlikely that the United States wants to change the current balanced and stable relations between the ROC and the United States.

With regard to the post of AIT board chairman, the official pointed out that there is plan to transfer David Laux, the current board chairman, to the post of secretary general of the Sino-U.S. Economic Association. However, the plan has not yet been finalized. With regard to the choice of the board chairman, the United States does not need to request our agreement, because it is solely a matter for it to decide.

Possible Response

*OW2801052490 Taipei LIEN HO PAO in Chinese
21 Jan 90 p 1*

[By Shih Kemin (2457 0344 2404), director of LIEN HO PAO's Washington office]

[Text] There has been a major change again in the selection of the new head of the Taipei office of the American Institute in Taiwan [AIT]. The United States has, through the usual channels, officially notified Taipei of the nomination of Thomas Stanley Brooks, now deputy chief of the United States Embassy in South Korea, who will fill the vacancy left by the retiring David Dean.

The 57-year-old Brooks has never served as an ambassador or an under secretary of state. His nomination has been interpreted by some well informed sources in Washington as a great step taken by the Bush administration to downgrade its relations with Taipei.

Brooks served as deputy director of the American Institute in Taiwan under then Director James Lilley. Sources in Washington diplomatic circles said that the nomination of Brooks was highly recommended by James Lilley (now U.S. ambassador to Communist China) and Gregg, current U.S. ambassador to South Korea. That is why President Bush changed the Department of State nominee from Borich [name as published] to Brooks and had the Department of State request for, through appropriate channel, Taipei's approval in the form of an agreement letter.

Taiwan has not responded to the nomination of Brooks as of 20 January. In 1981 Taipei rejected the designation of Shushiming [name as published] as the director of the AIT, Taipei office, on the grounds of a credentials problem. Brooks is currently deputy chief of the mission of the U.S. Embassy in Seoul. His Taipei appointment is bound to displease Taipei in general.

Trade Office Planned To Open in Cairo

*OW0602143890 Taipei CNA in English 1040 GMT
6 Feb 90*

[Text] Taipei, Feb. 6 (CNA)—The Republic of China [ROC] hopes to strengthen significantly its economic relations with Egypt and other North African nations through the establishment of a new trade office in Cairo by the China External Trade Development Council (CETRA) on Feb. 5.

CETRA officials said the ROC has successfully blunted strong opposition to the office by Peking in its effort to improve economic relations with Egypt. The opening of the new trade office is the result of three years' negotiations and preparations with the Egyptian Government.

The ROC's substantive relations with Egypt have seen remarkable progress in recent years. The state-owned

Ret-Ser Engineering Agency, for instance, established a liaison office in Cairo when carrying out construction projects in Egypt in 1986.

Both Vincent Siew, former vice chairman of the Council for Economic Planning and Development, and Lien Chan, minister of foreign affairs, visited Cairo after Egypt last July approved temporary landing rights for China Airlines [CAL].

Although CAL's flights to Cairo were suspended following protests from Peking, CAL has continued to maintain its office in Cairo anticipating that aviation cooperation will resume in the near future.

Chang Wen-the, head of the new office, urges Taiwan business executives to use the office's services in expanding their trade with Egypt and other countries in the same area.

Australian Trade Representative Stresses Ties

*OW0602021990 Taipei CNA in English 1437 GMT
5 Feb 90*

[Text] Taipei, Feb. 5 (CNA)—The Australian Government treasures its economic and trade relations with the Republic of China [ROC] and the Foreign Corporations Act passed by the Australian Congress at the end of last year will help protect ROC investors, Robert O'Donovan, the new representative of the Australian Commerce and Industry Office in Taipei, said Monday.

Close trade exchanges between the ROC and Australia have enhanced substantive relations in spite of the absence of diplomatic ties between the two nations, O'Donovan said.

The ROC is one of the nine countries in the world which does not have diplomatic relation with Australia, he said. In order to attract increased foreign investment, the Australian Congress passed the Foreign Corporation Act.

O'Donovan said the act was similar to the Taiwan Relations Act between the ROC and the U.S. except for the U.S., he said, Australia is the only other country to have adopted such a law to protect the rights of investors from countries without diplomatic ties with Australia.

He also stressed that his government was planning to set up an education center in Taipei to strengthen cultural exchanges between the two countries by helping ROC students who want to study in Australia.

President Li Cited on Relations With ROK

*OW0802233390 Taipei CNA in English 1531 GMT
8 Feb 90*

[Text] Taipei, Feb. 8 (CNA)—Friendship and cooperative relations between the Republic of China [ROC] and the Republic of Korea [ROK] will never change no matter how the international situation develops, President Li Teng-hui said Thursday.

Receiving Korean National Assembly Speaker Kim Jaesoon, President Li said that Taipei and Seoul share a long-standing friendship and uphold the same anticommunist stance.

"Although we might adopt different strategies to meet our challenges, our cooperative ties based on mutual understanding and an identical anticommunist stand will never change," the president stressed.

In addition to promoting academic, economic, cultural and scientific exchanges, Li hoped the lawmaking bodies of other countries would also strengthen contacts and cooperation in the future.

Kim, at the head of a Korean parliamentary mission, arrived here Wednesday for a four-day official visit. He is the highest-ranking Korean official to visit here in recent years.

Commentary Cites PRC's 'Big Brother Rhetoric'

*OW0602142090 Taipei International Service in English
0200 GMT 2 Feb 90*

[Station commentary: "Big Brother Rhetoric Continues in Peking"]

[Text] Just when the West and Japan are looking for signs that the political situation in Mainland China is improving, the Chinese Communist regime seems more bent than ever to show the opposite. The rhetoric from Peking is still in the crackdown mode, and Peking is making no secret of its return to the ways of big brother.

The newest report by foreign correspondents based in Peking concerns a Chinese Communist Party circular released last December that threatens a ban on liberal leaning communist groups, such as the Youth League and trade unions. The toughly worded order warned that on no account is any organization allowed to raise political advocacy against the party. It also said, by no means will any political organization opposing the four cardinal principles of communist rule or undermining communist power be allowed to exist.

That is the oft-repeated line from Peking, which has been cracking down harder and harder on the remnants of last spring's prodemocracy movement. The movement came to a violent, screeching halt in June after communist troops massacred hundreds and possibly thousands of unarmed civilian protestors in Peking's Tiananmen Square.

The Tiananmen massacre signaled a return to power by communist hardliners. Since then, the hardliners have gradually returned to strict, central control of the economy, and the matching prereform era ideological rhetoric, which stresses allegiance to the Communist Party and ideological struggle over change.

Peking has found itself increasingly isolated in world affairs, thanks largely to the collapse of communism in East Europe and elsewhere. The hardliners in Peking

have apparently opted to go the distance on their unbending loyalty to Marxist-Maoist principles, this despite the worldwide trend to the contrary. The common view is that Peking evidently has not learned a thing from the sudden, violent fall from power of Romania's dictatorship last December.

Meanwhile, the U.S., Japan, and West Europe have repeatedly said they are looking for signs of moderation in Peking before they decide to lift economic sanctions imposed in the wake of the Tiananmen massacre.

This week, the U.S. Senate unanimously passed a bill that preserved the economic sanctions against Peking, but gives the Bush administration the privilege of lifting them if it is in the nation's interest. Japan faced a similar situation all this week in making its decision on whether to resume bank loans to Peking or not. Thus far, the Japanese have hesitated pending a consensus on the issue in the West.

Some people, including U.S. President George Bush, who finds himself out on a political limb on the issue, have argued that Peking is now mellowing. Critics of that view cite Peking's deepening crackdown on the prodemocracy movement, and its return to the foul big brother rhetoric of the Maoist era.

The U.S., Japan, and West Europe must tread carefully so as not to send Peking the wrong signal. Lifting of sanctions now would imply tacit approval of Peking's ongoing crackdown, so long as the evidence conclusively shows that things are getting worse, not better in Mainland China, the West must wait it out, or even impose harsher penalties on Peking.

Commentary on Mainland Civil Rights Abuses

*OW0602135590 Taipei International Service in English
0200 GMT 6 Feb 90*

[Station commentary: "Peking Cited for Serious Rights Abuses"]

[Text] The U.S. State Department's annual report on human rights abuses in Communist China will likely push President George Bush further into the corner on U.S. China policy. Bush, who has tried to muster a reconciliation with Peking, has come under sharp attack from Congress and the American public and media.

A leaked version of the State Department report offers further evidence that it is Peking, and not the U.S., who should be making concessions to improve Washington-Peking relations. It also confirms that Mr. Bush acted too hastily in rewarding Peking with concessions, given the report's conclusion that things are getting worse in mainland China, not better.

The report charges Peking with undertaking massive and serious human rights abuses, mostly in Peking and Tibet. It says that the violent crackdown on the prodemocracy

movement on the mainland violates almost every international convention on protection of human rights.

It charges that since the Tienanmen massacre in June 1989, Peking has tightened control of students and scholars, and reasserted political control over industry and journalists. Peking has also crushed a human rights monitoring group, and clamped down on domestic and foreign travel by mainland citizens.

In other words, Peking has taken a giant step backward, back to the pre-1978 days of Maoist-style, big brother control over society. The human rights climate in Mainland China has deteriorated dramatically in 1989, the report said. At year's end, the crackdown was still continuing, it added. For the record, it has continued, at an even greater cadence, into 1990.

The report notes that since last June, Peking has greatly increased the surveillance of citizens, and has held countless numbers of raids on university campuses, workers' dormitories, and private residences. Literally tens of thousands of persons have been illegally detained and tortured for information about so-called counter-revolutionary activities.

In one of its conclusions, the report says Communist China's paramount leader, Teng Hsiao-ping, and other senior leaders in the closed circle at the top, are determined to retain power, regardless of the wishes of the people.

UPI reports from Washington that the report was reviewed by the White House, but not watered down. Mr. Bush has apparently accepted his State Department's evaluation of the bad conditions in Communist China.

The report is another sign that Communist China is quickly becoming the new whipping boy of American liberals. In the past, Peking could do no wrong, and the U.S. kept much of its human rights focus on its own friends in East Asia, namely the Republic of China on Taiwan, South Korea, and the Philippines.

It was a mindless, callous, unfair attitude or policy that treated America's friends almost as enemies, and Communist China, the world's number one human rights abuser, as a friend.

Also, those days now appear to be over, as support for Peking, even in the traditional strongholds within the State Department, seems to be diminishing rapidly.

Investors To Form Hong Kong Chamber of Commerce

OW0702083596 Taipei CNA in English 0237 GMT
7 Feb 90

[Text] Taipei, Feb. 7 (CNA)—The Chinese National Federation of Industries Tuesday responded favorably to a report that some Taiwan investors in the Chinese mainland plan to establish a "Taiwan Chamber of Commerce" in Hong Kong.

"Since direct investment is still prohibited by the government, such an organization would surely give Taiwan investors a bigger say in negotiating with the Chinese Communists," Kuo Yung-hsiung, deputy secretary-general of the federation, said.

Tensions between the two sides of the Taiwan Strait, technically at war since the Chinese Communists occupied the mainland in 1949, have relaxed somewhat in recent years, and the Republic of China Government has lifted its ban on indirect trade and personal family visits with the mainland in November 1987.

A great number of Taiwan factories, defying the government's ban, have already moved some of their production lines to the mainland to cut production costs. About 90 percent of the more than 100 Taiwan umbrella manufacturers, for instance, have production lines on the mainland, according to federation statistics.

Because of this situation, Kuo said that his federation would be pleased to see investors unite so that their interests and rights can be better protected.

It was reported that "the Taiwan Chamber of Commerce," supported by Taiwan sports bag, umbrella, sports wear, and textiles and clothing manufacturers, would be formally organized in Hong Kong Thursday.

Commentary on CPC Power Consolidation

OW0902120390 Taipei International Service in English
0200 GMT 9 Feb 90

[Station commentary: "Soviets End Power Monopoly, Peking Tightens It"]

[Text] Further clear proof of the polarization of the communist world came in two major news releases on Wednesday. From Moscow, the world learned that the Soviet Communist Party voted to relinquish its constitutionally guaranteed, and KGB enforced, monopoly on political power. On the other side of the coin, the Chinese Communist regime in Peking vowed that it would never be so, quote, foolish, end quote, as Moscow. Echoing the last hurrah of fallen Romanian communist dictator Nicolae Ceausescu, Peking said it would never tolerate any opposition.

Peking made its own announcement to deliberately counter Moscow's big news about the proposed end to communist power monopoly in the Soviet Union. For weeks, Peking has watched with frustration, and likely fear, as the Soviet Union of Mikhail Gorbachev goes the route of East Europe in ending communism's iron grip on society.

For its part, Peking has resisted, and says it will forever. The Chinese Communists have repeatedly denounced Gorbachev for his economic, and now political reforms. Peking rightly believes that Gorbachev is singlehandedly undermining communist rule, wherever it may be.

To be sure, plenty of Soviet hardliners put up fierce resistance to Gorbachev's proposal. The debate was acrimonious at times, but in the end, the infamous Article Six of the Soviet Constitution, which guarantees a monopoly on power for the Communist Party, was abolished by the Soviet Parliament.

Afterward, Gorbachev said he saw a distinction between giving a monopoly, and maintaining a majority. He vowed that the Communist Party would do everything in its power to remain the ruling party in a multiparty system.

Meanwhile, back in Peking, the Chinese Communists appear ready to break totally with Moscow on this issue. Ironically, in the fifties and sixties, the two Communist giants vied for dominance over the communist world. The Moscow-Peking schism brought them dangerously to the brink of border wars.

Today, their schism is of a totally different nature. Now, Moscow wants to race to see who can reform the quickest, and relinquish his dictatorship.

Not surprisingly, Peking has decided not to engage Moscow in this new field of competition.

There is some irony in Peking's belligerence as well. In the late seventies and early eighties, it looked as though Peking were the champion of reform. Teng Hsiao-ping's market-oriented liberalizations shocked Moscow, and endeared him to the world.

Now the tables have completely turned. Gorbachev is the darling of the free world for his brave, inconspicuous efforts to overhaul Soviet society. Teng and the Chinese Communists, meanwhile, are the target of international scorn for their entrenchment into orthodox communism, which pits them equally against the world trend. Since the Tienanmen massacre last June, Peking has clearly been on the defensive, while Gorbachev races forward on the offensive, to change communism forever.

The net result is that Peking is now the lonely kid on the block. The end of the communist monopoly on political power in the Soviet Union will certainly isolate Peking even further.

Government To Further Reduce Import Tariff

*OW0402185690 Taipei CNA in English 1547 GMT
4 Feb 90*

[Text] Taipei, Feb. 4 (CNA)—The government of the Republic of China [ROC] will further amend regulations governing import tariff to cut the average tariff in real

terms to 4.3 percent from 4.7 percent, Wang Teh-huai, director of customs administration said.

Wang said that further cuts will be made in accordance with the Finance Ministry's timetable for lowering tariffs over four years and agreements reached at the ROC-U.S. trade consultations in January.

It is expected that by 1992 the nation's average tariff rate in real terms will be near the average for developed nations.

Sharp Contrast Seen in Export Structure

*OW0502055390 Taipei CNA in English 0345 GMT
5 Feb 90*

[Text] Taipei, Feb. 5 (CNA)—The Republic of China's [ROC] industrial exports rose while agricultural exports fell drastically in 1989, thus creating a sharp contrast in the nation's export product structure last year, a Board of Foreign Trade analysis has shown.

Last year ROC industrial output reached 63.15 billion U.S. dollars, up 10.3 percent from the preceding year, and industrial products accounted for 95.4 percent of total ROC exports.

Agricultural exports were only 470 million U.S. dollars, down 42 percent, and were only 0.7 percent of total exports.

The top five export items were:

- machinery and electric engineering equipment, worth 21,826 million dollars, constituted 33 percent of total exports;
- textiles at 10,330 million dollars, or 15.6 percent;
- basic metal and products at 5,195 million dollars, or 7.8 percent;
- shoes, hats, umbrellas, feather products, artificial flowers and human hair products at 4,474 million dollars or 6.8 percent; and
- plastic, rubber and products at 4,333 million dollars, or 6.5 percent.

The top five in terms of growth were automobiles, vessels and related transportation equipment; non-garment textiles; yarns and fabrics; electronic products; and iron and iron products.

The five largest falls seen in exports were plywood, processed food, beverages and cigarettes; information and communication products; toys and sports goods, and rubber and rubber products.

New Law Utilizing Residence Fees Formulated

HK0302020590 Hong Kong SOUTH CHINA MORNING POST in English 3 Feb 90 p 2

[From Adam Lee in Macao]

[Text] Hong Kong people will have to pay a fee of \$26,000 if they wish to live in Macao, although those who arrived on or before January 31 this year will be exempt.

The Macao Government initiated the idea of charging a free of \$36,000 for residency in May last year but the move was postponed because of strong criticism.

It was finally gazetted in a revised form yesterday, including the \$10,000 cut in fee for foreign residence.

Under the new law which will become effective on July 31, Hong Kong people who are already resident in Macao can apply for a resident's permit from the beginning of August until October.

The permit, at a cost of \$26,000, will be valid for a year and can be renewed without further charges. A holder of resident permit can apply for a permanent permit after living in Macao for seven consecutive years.

Applicants for permanent permits will have to prove that they are genuinely resident in Macao by providing deeds of properties in Macao, rental contracts, utilities bills and or certificates of employment from a local employer.

Nationals from other countries seeking residence in Macao will be given a specific date to apply for permits later.

The Under-Secretary for Justice Affairs, Dr. Fonseca Nagalhaes e Silva, defended the move yesterday arguing that Macao was a very small territory and that the Government had to take some action to limit the number of foreigners pouring into Macao.

For Chinese nationals with specific documentation stating they have permission from the Government of the People's Republic of China to live in Macao there is no fee although overseas Chinese have to pay half the fee, \$13,000.

Under the new law Hong Kong residents visiting Macao can have their original entry permits of 90 days re-extended twice for 30 days while other foreigners can have their 20 days permits visas extended twice for another 20 days on each occasion.

Hong Kong

Proposal Suggests Moving Refugees to U.S. Bases

HK0902024190 Hong Kong SOUTH CHINA MORNING POST in English 9 Feb 90 p 2

[Text] Key Legislative Councillors have rallied around a proposal to move Vietnamese boat people to American

military bases in the region if Hong Kong is unable to cope with the continuing influx.

"This is an interesting and constructive proposal," said the Government Refugee Co-ordinator, Mr. Mike Hanson, of the suggestion initiated by Mrs. Elsie Tu.

Mrs. Tu proposed that one of the American military bases in the Philippines, South Korea or Taiwan should be converted into a holding centre for Hong Kong's unwanted boat people if the U.S. continued to oppose mandatory repatriation.

As part of American defence cuts, the U.S. administration has proposed that the U.S. military withdraw from a number of their bases in the region.

Mr Hanson said the plan was possible as the subject of a holding centre had been raised last June at an international refugee conference.

Under the Comprehensive Plan of Action, the concept of a regional holding centre for non-refugees had been discussed as one alternative to voluntary repatriation (the other is mandatory repatriation).

Mrs. Rita Fan Hsu Lai-tai, Executive Councillor and deputy convenor of the Omelco Security Panel, said the idea of trying to persuade the Americans to support the idea of a regional holding centre was a positive one.

Legislative Councillor Dr. Henrietta Ip said that, although it was not clear if Mrs. Tu's proposal was practical, it certainly provided "food for thought".

Dr. Leong Che-hung said anything that got the problem off Hong Kong's hands was a real help, and that calling on the Americans to do something was not unfair because they had caused the problem in the first place.

Governor Urges Funds for New Refugee Camp

HK0202015990 Hong Kong HONGKONG STANDARD in English 2 Feb 90 p 4

[By Denise Wong]

[Text] The Governor, Sir David Wilson, yesterday urged Legislative Councillors to approve funding to build the Tai A Chau Vietnamese detention centre.

"There is a very urgent need to build that camp," Sir David said, because of "greatly overcrowded" camps and the need to close the Sek Kong detention centre.

"We have a very serious problem already on our hands. We need to thin out the existing camps. We will have a even more serious problem if we have a continued influx this year.

"The community should expect that and the community should be in the position to make a right sort of plan in advance," Sir David said.

The Security Branch will ask the Legco Finance Committee next Friday to approve \$115 million for the building of the Tai A Chau centre to house 10,000 boat people.

The British government has agreed to pay for half of the project.

However, Finance Committee members were reluctant to fund the project, given the lack of a Government programme for mandatory repatriation of Vietnamese listed as non-refugees.

Speaking after officiating at the stone-laying ceremony for the Auxiliary Medical Services headquarters in Ho Man Tin, Sir David said the Government was anxious to close the Sek Kong centre. "It's at the most unsatisfactory site."

Mr. Geoffrey Barnes, the Secretary for Security, warned that "not having proper plans and proper accommodation when a great large number of people are coming" would endanger Hong Kong.

Such dangers included the escape of boat people that would disturb nearby residents, the spread of infectious diseases and riots, Mr. Barnes said.

Sir David said the Government had been trying to adopt mandatory repatriation for a year.

"We will go on trying to make sure we have mandatory repatriation and that's precisely the policy which was strongly approved by members of Legco," he said.

The first group of 51 boat people were forcibly returned to Vietnam on December 12 last year, prompting condemnation by human rights groups.

Asked to confirm a report that London would send a special delegation soon to discuss Hong Kong problems with Beijing, Sir David said "there is no immediate plan".

He said British and Chinese officials were continuing talks on the post-1997 political system for Hong Kong.

Joint Venture Company Formed With Burma

*OW0202081490 Beijing XINHUA in English
0711 GMT 2 Feb 90*

[Text] Yangon (Rangoon), February 2 (XINHUA)—Myanmar (Burma) Textile Industries Ministry and the Value Industries Limited of Hong Kong have formed a joint venture company limited, according to local newspaper "THE WORKING PEOPLE'S DAILY" today.

In accordance with the Union of Myanmar Foreign Investment Law, the Myanmar Government Foreign Investment Commission has granted a permit to a joint venture company limited between the two sides for the manufacturing and marketing of ready-made garments.

The Notification No. 4 of 1990 issued by the Myanmar Ministry of Trade said the name of the private joint venture company limited shall be "Yangon Garment Manufacturing Company Limited".

According to the notification, the authorized capital of the company is 11.21 million kyats (about 1.7 million U.S. dollars). The shares of the company held by the Myanmar Government is 40.12 percent while the shares held by Value Industries Limited of Hong Kong accounted 59.88 percent.

The notification, signed by Myanmar Minister of Trade David Abel on Thursday, also noted that the joint venture garment manufacturing company shall be registered with the Companies Registration Office of the Ministry of Trade as a private company.

Earlier last month, Myanmar's Stationery, Printing and Photographic Stores Trading and Hong Kong's Tsin Yuen Enterprises Limited set up a private joint venture company limited while two departments under Myanmar's Ministry of Trade and Singapore's Century Motors PTE Limited established a private joint venture company.

Basic Law English Version To Follow Chinese

HK0502021790 Hong Kong SOUTH CHINA MORNING POST in English 5 Feb 90 p 3

[By Chris Yeung]

[Text] The English version of the Basic Law will not be promulgated simultaneously with the Chinese text by the Chinese National People's Congress (NPC) in March, according to senior Beijing official Mr. Li Hou.

Instead, Mr. Li said, the NPC's standing committee is likely to appoint a working group to prepare the English version of Hong Kong's post-1997 constitution as soon as the Chinese version is enacted at the end of the two week-long NPC session.

After the English version is completed, the NPC standing body will issue a separate resolution to confirm its legal status, he said.

Mr. Li said in Guangzhou recently that the English version "should be legally authentic".

"But if there are any discrepancies and disputes, the Chinese version should prevail," he said.

According to the drafting schedule, a final draft is expected to be approved by the drafting committee at its final plenary session to be held between February 12 and 17 in Beijing.

The draft will first be submitted to the NPC standing committee, which will meet from February 20 to prepare for the upcoming full session of the congress in March.

The 159-member standing body will then table the draft constitution at the March plenum for final approval and promulgation.

A deputy secretary-general of the Basic Law Consultative Committee, Mr. Shiu Sin-por, said the English version of the present draft had largely been completed by a group of mainland legal and translation experts after taking into account the view of a BLCC special group.

The latest amendments made by the political subgroup in January were expected to be translated in the coming weeks.

Mr. Shiu and the BLCC's secretary-general, Mr. Leung Chun-ying, met Beijing officials in Guangzhou recently to discuss the English version of the Basic Law.

A BLCC member, Mr. Eric Au Sing-wai, said: "It is most ideal that the English version and the Chinese version of the Basic Law can be released at the same time.

"After the NPC Standing body approves the draft, there will still be weeks to go before the plenary session. There is sufficient time for the experts to complete the translation work," Mr. Au said.

According to the present draft, "in addition to the Chinese language, English may also be used as an official language by the executive authorities, legislature and judicial organs of the Hong Kong Special Administrative Region".

This provision had brought about uncertainties over the authenticity of the English version of the Basic Law, as only the Chinese version of all mainland laws enacted by the NPC carries legal authority.

Mr. Au, a senior assistant law draftsman with the Legal Department, said it was understandable that the English version of the mini-constitution could not be scrutinised and approved at the plenary session.

"How can the NPC members pass an English law they don't understand?" he said.

"After all, English is not their official language."

Although English-translated versions of some mainland laws have become available recently, they have no legal authority.

"I favour the arrangement where the NPC empowers the future SAR legislature to approve an English version of the Basic Law in 1997 so that there is a clear legal authority of it in the SAR," Mr. Au said.

"It's also acceptable that the NPC empowers a working group to do the translation work and confirms its legal status."

Macao

Legislative Assembly Membership Increased

HK0902023590 Hong Kong HONGKONG STANDARD
in English 9 Feb 90 p 4

[Text] Macao: The enclave's legislature yesterday approved a proposal that would increase the number of members from the present 17 to 23 without altering the proportion of directly elected seats.

The change, which has to be reflected in the enclave's mini-constitution, must be approved by the government in Lisbon.

The Governor, Carlos Melancia, is flying to the Portuguese capital on Sunday where he will lobby for support for the proposed change.

The Portuguese parliament is not expected to object to the change.

A group of Macao legislators will join Mr Melancia in Lisbon later this month.

The changes are expected to become effective in late March or early April.

The Legislative Assembly comprises six directly elected members, six from functional constituencies and five appointed members.

Under the proposal, two more members will be added to each of the three categories, thus maintaining the original 35-35-30 membership.

The assembly yesterday also passed a proposal to replace the military commander of the enclave's 3,000-strong Security Force with a civilian.

He will hold the rank of cabinet under-secretary for internal affairs.

The number of under secretaries to the governor will be increased from five to seven.

One of the new posts will be that of under secretary for transition period affairs.

The assembly's three liberal legislators favoured a 1-1-4 model which would have increased the proportion of directly elected members.

Their model was rejected by a 3-12 vote.

One member was absent at yesterday's meeting while the assembly's chairman, Mr Carlos Assumpcao, abstained.

Liberal legislator, Wong Cheung-nam, said the assembly was "going/against the tide of history" by passing the conservative model.

Mr Wong said the model went against the spirit of democracy enshrined in the Portuguese constitution.

The proposed changes were, however, welcomed by China.

Shortly after the assembly passed the bill the head of China's Sino-Portuguese Joint Liaison Group, Ambassador Kang Jimin, said at a cocktail reception the model had his "full support".

The enclave's liberals had been trying in vain to rally support against the conservative political model.

Last week 14,000 people signed a petition demanding more directly elected seats in the legislature.

Macao has 57,000 registered voters.

Article Views Composition of XINHUA Branch

HK0802043790 Hong Kong TANG TAI in Chinese No. 10, 3 Feb 90 pp 18-19

[Article by Ye Hua-tian [0673 5478 1131]: "The Organizational Structure of the Macao Work Committee"]

[Text] The Macao Branch of the XINHUA NEWS AGENCY was only officially established in September 1987.

In the past, the XINHUA Macao Branch was under the Hong Kong Branch of the XINHUA NEWS AGENCY. Its predecessor was the Macao Nanguang Trading Company led by director is Ke Zhengping (Ke Ping)

Given the beginning of Sino-Portuguese talks, the Central Government wanting to strengthen its work in Macao sent Zhou Ding, former vice mayor of Shenzhen, to take charge of work in Macao. The personnel involved in political work were separated from the Nanguang Company upon the formation of the Macao branch of the XINHUA News Agency. The personnel originally involved in foreign economic relations and trade at the Nanguang Company were made to form the Nanguang (Group) Limited Company (The Nanguang (Group) is an organ in Macao of the China Ministry of Foreign Economic Relations and Trade and is of the same nature as the Hong Kong China Resources).

After the Macao branch of the XINHUA NEWS AGENCY was established, Ke Zhengping was appointed as its adviser. He was also allowed to act as member of the Committee for the Drafting of the Basic Law of Macao.

After Zhou Ding arrived at Macao, members of the leadership group were successively replaced. Li Yaoqi and Song Yichuan, former assistant general managers of the Nanguang Company, were transferred to work respectively at the Hong Kong branch of the XINHUA NEWS AGENCY and as the Macao representative of the Everbright Group.

Song Yichuan had kept a low profile in Macao for a long period of time and took part in no open activity. He surfaced only at a ceremony marking preparations for

the Macao International Airport. Especially after the disappearance of Gao Min (refer to the No. 5 issue of this magazine) did he begin reappearing more often.

Zhou Ding formed a brand new leadership group with the existing five deputy directors Hu Houcheng, Wang Wenbin, Sun Ren, Tang Tianmei and newly appointed Zong Guangyao.

The six director-level personnel of the Macao branch of the XINHUA NEWS AGENCY were all sent from the mainland. It is unlike the Hong Kong branch with still a locally bred Mao Junnian. The Macao branch can be said to have never considered the problem of using local people.

As a matter of fact, Song Yichuan, director and general manager of the then newly established Nanguang (Group) was replaced by Cao Wantong, who originally worked at the China Cereals, Oils and Foodstuffs Import and Export Corporation, following the fall of Ke. After his arrival at Macao, Cao again vigorously worked on building the Nanguang Group "along the Beijing lines," with all local people relegated to the background. A large number of personnel were transferred from Beijing, arousing the dissatisfaction of middle-class Macao people.

After the June 4 Incident, Cao Wantong catching up with the times demanded that all personnel of the company seriously study documents related to the "suppression of the riot" and study video tapes produced by Beijing to "know the truth" and resist the influence of Hong Kong and Macao newspapers.

On the face of it, the Macao branch of XINHUA NEWS AGENCY is on a par with its Hong Kong counterpart. Actually, it ranks below the Hong Kong branch and is under the latter's influence. But its structure is like that of its Hong Kong counterpart.

The division of work at the Macao branch of the XINHUA News Agency is as follows:

Director Zhou Ding—responsible for the work of all leftist organs.

Deputy Director Hu Houcheng—responsible for united front and basic law work.

Deputy Director Wang Wenbin—responsible for work related to culture, education, physical culture and social organizations.

Deputy Director Sun Ren—responsible for work in the economic field.

Deputy Director Tang Tianmei [3282 1131 5019]—responsible for work related to the office and internal matters.

Deputy Director Zong Guangyao—newly appointed with no clearly defined assignment.

The Macao Work Committee was established only in 1988 under the direction of Zhou Ding. The members of the Macao Work Committee include the responsible persons of the Macao Bank of China, the Nanguang Group, the China Travel Agency, the China Construction (Macao) Engineering Company and the Nanyue Group, apart from the director, deputy directors, adviser and secretary general of the Macao branch of the XINHUA NEWS AGENCY.

Newly appointed Deputy Director Zong Guangyao, a native of Shaanxi, is now 51 years old. He originally worked at the Hong Kong and Macao Affairs Office of the State Council as Ji Pengfei's secretary. In 1987, he accompanied Ji Pengfei on a visit to Macao by plane.

Zong Guangyao started acting as deputy director on 22 December 1989. He appeared in public for the first time on 29 December, meeting with Macao NPC deputies and CPPCC members.

His assumption of office gives rise to the following speculation: 1) Ji Pengfei is likely to retire very quickly, with the way paved for Zong Guangyao. 2) Is Zong meant to replace Zhou Ding? Zhou Ding is closely related to Xu Jiatun and is also of the Zhao Ziyang

group. Or is the assignment of Zong Guangyao meant to just strengthen the work of the Macao branch of the XINHUA News Agency.

It is believed that there will be an answer very soon.

The makeup of the Macao branch of the XINHUA NEWS AGENCY is as follows:

Director: Zhou Ding; Adviser: Ke Zhengping (Ke Ping); Deputy Directors: Hu Houcheng, Wang Wenbin, Sun Ren, Tang Tianmei [3282 1131 5019] and Zong Guangyao; Secretary General: Yuan Qilin; Office Chief: He Xibo, Deputy Chiefs: Wang Rongfa and Zhou Mingguang; News Department Head: Luo Chaozhao; Coordination Department Head: Zeng Weixian, Deputy Heads: Liang Xianda and Huang Yaorong; Literary Style Propagation Department Head: Li Xiuhong, Deputy Heads: Xian Weikeng and Ye Liqin; Foreign Affairs Office Chief (vacant), Deputy Chiefs: Luo Jinkai and Luo Zhaohua; Personnel Department Head: Ou Zhongwen, Deputy Heads: Guo Wei and Huang Jian; Data Research Office Chief: Chen Weijun, Deputy Chief: Zhao Yanfang; Social Work Department Head: Cai Sicong, Deputy Head Chen Qiming; Economic Department Head: Huang Jiaquan, Deputy Heads: Li Ming, Ke Taojin, and Chen Zhijie; Public Relations Department Head: Luo Zhixiong, Deputy Heads: Chen Rongming and Liu Duxin.

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